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LOAN OK'D FOR POWER PLANT REHABILITATION PROGRAM

Kingston THE DAILY GLEANER in English 8 Jul 82 p 2

[Text]

THE HOUSE OF REPRESENTATIVES on Tuesday approved a government guarantee of a loan of US\$6.5 million from the Chemical Bank of New York, to the Jamaica Public Service Company to provide materials and equipment for its power plant rehabilitation programme.

The Minister of State in the Ministry of Finance, the Hon. St. Clair Shirley on Tuesday said the JPSCo had been engaged in negotiations with the bank since late 1981, and it was the first time that the Bank had made a loan to Jamaica.

Of the US 6.5 million, US\$5 million is to be used to purchase replacement parts for the boiler and auxiliaries, turbine and auxiliaries, instrumentations, gas turbine components, miscellaneous equipment and materials, switchgear, cables and motors, among other things.

The remaining US\$1.5 million will be lent to the Jamaica Broadcasting Corporation.

Explaining the main elements of the loan, the Minister, said the funds were being made available to the JPSCo on the basis of a one-year stand-by and letter of credit facility, and subsequent conversion to a three-year term loan.

He said that during the first six months no more than $\frac{2}{3}$ of the amount may be drawn down and the balance is to be drawn down in the second six-months.

Interest would be $1\frac{1}{4}$ per cent above the U.S. prime rate and the maturity date of the loan will be April 30, 1986.

FOR THE OPPOSITION Mr. Horace Clarke said that while the Opposition was not objecting to the loan, he wanted to know whether the JPSCo had such a function lending money to the JBC.

He asked whether this was being done for convenience and why was the government "saddling" the JPSCo with the full loan. He wondered also if the loan was part of the US\$10 million being bandied about for some time now.

Mr. Shirley said the on-lending arrangements with the JBC was going to be on the same terms and conditions agreed on between the lender and borrower.

There were no restrictions preventing the JPSCo from lending to the JBC, he said, adding that it was not part of the US\$10 million package.

The measure was approved.

BELIZE'S PRICE COMMENTS ON CARICOM SUMMIT, GUYANA BORDER

Talks in Jamaica

Kingston THE DAILY GLEANER in English 13 Jul 82 p 1

[Text]

JAMAICA HAS NOT BEEN imposing itself as host to the next CARICOM Heads of Governments meeting, but has signified its intention to help by agreeing to the CARICOM Secretary-General's enquiry as to whether it will host the conference.

This was stated by Prime Minister George Price, of Belize, yesterday as he told the Gleaner that the conference was likely to be held in Kingston in mid-October. He said that President Burnham of Guyana, Prime Minister Chambers of Trinidad & Tobago, and Prime Minister Adams of Barbados were in support of the October meeting being held in Jamaica.

The last Heads of Government meeting was held in 1975. Earlier this year, Antigua which had offered to host the meeting gave way to Guyana which had also offered. The meeting was set for July but was cancelled when Guyana withdrew its offer because of domestic difficulties and the objection of some Eastern Caribbean Countries such as St. Lucia.

Since, then, Dr. Kurlough King, Secretary-General of CARICOM, has been sounding out Governments about a likely site. According to Mr. Price, Jamaica has said 'yes'.

• EXCLUSIVE INTERVIEW WITH MR. PRICE SEE PAGE 2.

PRICE-SEAGA TALKS HELD

The following news release was issued from the Office of the Prime Minister yesterday:

"Prime Minister George Price of

Belize, on the invitation of Prime Minister Edward Seaga of Jamaica, paid a one-day visit, to Jamaica on his way home from Guyana and Trinidad and Tobago.

"Prime Minister Price had discussions on matters of mutual interest with Prime Minister Seaga and Deputy Prime Minister Hugh Shearer on Monday, July 12. In the course of the talks, they exchanged views on the proposed CARICOM Heads of Government meeting.

"It was agreed that, considering its importance to the Caribbean Community, every effort should be made to hold a meeting this year. In this context they also discussed the security problems of the region.

"In addition, the two leaders exchanged views on the Caribbean Basin Initiative and the implications for the development of Caribbean economies. The Prime Minister of Belize reaffirmed his full support for the C.B.I.

"The possibility of an air link to Belize using Air Jamaica as the carrier was raised, but it was agreed that this would have to be the subject of further detailed study.

"The two leaders recognised the historic friendship and understanding that existed between the Governments and peoples of Jamaica and Belize and agreed to co-operate on all matters of regional interest."

Kingston THE DAILY GLEANER in English 13 Jul 82 p 2

[Text]

"CARICOM SUPPORT for Guyana in the territorial dispute with Venezuela is vital" declared Mr. George Price, Prime Minister of Belize, yesterday as he spoke with the GLEANER. Mr. Price who had visited Guyana from July 7 to 10, and had also visited Trinidad & Tobago, was in Jamaica on a one-day visit.

Mr. Price said President Burnham's Guyana would be helped greatly if, as in the case of Belize, CARICOM countries would win the support of the Commonwealth for the principle of respect for and defence of the territorial integrity of Guyana.

He added that there were two other principles which should be observed the first that there should be a peaceful settlement, and the second, that Venezuela's relations with CARICOM States would be enhanced if it reached a settlement in accord with the San Jose declaration of May 8, which referred to the Honduran proposal of absolute maintenance of existing boundaries.

Mr. Price added that if, as in the case of Belize, in respect of Guatemala's claim, the non-aligned countries could give support to the above principles, then the Caribbean area as a whole stood to benefit.

MR. PRICE SAID that he would be attending the 'summit' meeting of non-aligned countries in Baghdad, Iraq, from August 31 to September 10, and that he hoped other CARICOM countries, including Jamaica, would be attending. He pointed out that the dates of the non-aligned meeting would clash with those of the meeting of Commonwealth Finance Ministers, but that he was sending his Deputy, Mr. Lindy Rogers, to that Finance meeting.

Mr. Price said his own prescription for peace in the area was based on territorial integrity, raising no unnecessary problems for anyone (e.g. Britain with that country having to protect the Caribbean) and keeping the door open for talks. He believed that those principles should apply to Venezuela and other claimants.

He noted that of the seven nations signing the San Jose (Costa Rica) declaration of May 8, Venezuela had claims against Guyana, Nicaragua had claims against San Andres islands of Colombia, and Honduras had claims against Sapodilla Cays of Belize.

The other four signatories to the declaration of non-intervention and respect for existing boundaries were Colombia, Belize, Costa Rica and Panama.

Mr. Price said that he hoped that CARICOM countries would not be divided on the issue of Guyana's territorial integrity in the face of Venezuela's claim. He supported Jamaica's offer to mediate the issue but said that Jamaica should act only with full CARICOM support.

Mr. Price left Jamaica for Belize yesterday via Florida, after meeting with Prime Minister Seaga, at Jamaica House.

BRIEFS

ARGENTINE-BOLIVIAN HEALTH AGREEMENT--An agreement for nonreimbursable technical cooperation was signed yesterday between the health ministries of Bolivia and Argentina for the control of the chagas disease. The agreement provides for the training of personnel in the identification and treatment of the disease, through scholarships granted by the Argentine University. [Text]
[La Paz Radio Illimani Network in Spanish 1100 GMT 29 Jul 82 PY]

CSO: 3010/2062

OFFICIAL STRESSES IMPORTANCE OF MARITIME ZONE

Buenos Aires LA NACION in Spanish 14 Jul 82 p 6

[Text] Our national territory extends beyond the continental region and our island possessions: it covers a vast maritime zone that is not just a complementary projection of our land holdings. It has been called the liquid pampas, and with reason. Although its wealth is not readily visible, it has an immense and varied treasure of resources that could contribute to the nation's prosperity and well-being if rationally used.

The secretary of maritime interests made mention of the great value of the sea on the occasion of the Secretariat's anniversary. During the celebration, he emphasized that the conflict in the South Atlantic took place in a geographical jurisdiction that covers much of the natural environment that the Secretariat oversees. "This obliges all of us who make up the cast of this organization to become much more familiar with what goes on there and with the influence every action could have on productive activity, which is our primary responsibility."

The strategic value of that natural environment is well known; not only is it essential as a link with the Argentinantarctic, but it is also a means for a fluid and permanent communication with the rest of the world. Aside from this vital role, however, the importance of the Argentine sea is measured in terms of its vast krill resources, the abundance and variety of its fishing resources, the energy potential of its tides, and, among other things, the hydrocarbon reserves that lie below the continental shelf.

This oceanic asset will become increasingly important as it is gradually integrated with our territorial assets. This task, in one way or another, concerns all sectors of society. Consequently, it requires the support of a widespread maritime consciousness, which in turn depends on familiarity with matters of the sea. In this regard, it should be noted that the chief of the Department of Naval Historic Studies has stated that "we should consolidate our rights to what is ours, fight for them with our naval development, our diplomacy and a greater understanding, by more people, of the Argentine maritime question. Furthermore, it will be necessary for present generations to become aware that Argentina is no longer the country we saw on school maps until recently. Today it is a complex that includes the Antarctic, its continental shelf, the sea above it, the Argentine sea and its islands."

The fact that 95 percent of the volume of this country's trade is carried out by maritime transportation gives us a better grasp of the importance of having an efficient merchant fleet and a naval force to back it up. During the ceremony held by the Secretariat of Maritime Interests, reference was made to the visionary action taken in that regard by Adm Segundo V. Storni, who, in addition to promoting a maritime consciousness as a basis for an activity essential to the constant growth of the country and the permanent defense of its sovereignty, dedicated himself to the pioneer effort to give human expression to the natural bond between the land and the sea.

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CSO: 3010/1983

FINANCIAL SITUATION OF PRIVATE ENTERPRISES REPORTED

Buenos Aires LA PRENSA in Spanish 1 Jul 82 p 6

[Text] The average debt of businesses exceeds the volume of their net assets by 157 percent, according to a secret report undertaken jointly by the Secretariat of Finance and the Central Bank in order to seek a solution to the problem of business liabilities.

This serious situation is even worse in 45 percent of the businesses surveyed in the report, which have financial obligations to banks totaling more than 290 percent over their net assets.

The problem of these firms was aggravated in 1980, and particularly from the end of that year until December 1981.

Although the report does not cover the financial situation that has prevailed since the beginning of this year, the experts who participated in the work feel that the problem has been exacerbated considerably.

This is one of the principal problems that must be dealt with by the new leadership at the Ministry of Economics beginning tomorrow, when Minister of Economics Jose Maria Dagnino Pastore takes office.

Business Debts

There is speculation in some circles about the possibility that the state will assume part of businesses' debts in order to relieve them of the heavy financial burden on the productive apparatus.

In 1981 the average volume of liabilities rose by 50 percent for the majority of the manufacturing sectors, in relation to the companies' assets.

In some cases, debts increased by 130 percent between December 1980 and December 1981, although in other cases financial obligations declined by 29.5 percent.

The worsening of businesses' financial situation is primarily due to high real active interest rates, totaling about 5 percent a month, and the plummeting of sales levels.

The "secret" report maintains that 64 percent of the businesses studied suffered losses during the last 4 months of last year.

This deficit is evaluated in the report, which looks at the profit trends in the companies with relation to assets and sales.

Manufacturing

Some 27 percent of the companies studied obtained profits that were insufficient to facilitate the normal development of their activities.

The manufacturing sector that experienced the greatest increase in indebtedness in 1981 was printing, followed by metalworking, chemicals, petrochemicals and automobiles.

The firms surveyed by the study are the nearly 200 that are listed on the stock market.

The printing companies suffered a real increase in their debts compared to their net assets, totaling 130 percent in 1981. Basic metalworking firms, on the other hand, suffered a 112 percent rise in debts.

The real financial obligations of the chemical industry rose by 57 percent during 1981, while petrochemical debts climbed 30 percent and automotive industry debts 25 percent.

The textile industry saw its liabilities grow by 21 percent in relation to net assets.

In the printing sector the level of indebtedness is 5.59 times greater than net assets, while it is 2.53 times greater in the metalworking sector.

Financial obligations are 1.23 times greater than net assets in the petrochemical industry, while they are 1.14 times greater in the automotive sector.

Debts are 1.26 times greater than net assets in the textile industry.

There were three sectors that were able to cut their financial obligations in real terms in 1981. Among them is the tobacco industry, which decreased its debt/net assets ratio by 29.5 percent. In the rubber sector there was a decline of 27 percent.

Along with these two is the food industry, which reduced its financial obligations by 18 percent.

These reductions in liabilities are due to non-economic factors. In the tobacco industry, for example, earnings and cheap financing were made possible by the use of funds obtained as the agent in the withholding of the cigarette tax.

In the case of food, the drop in liabilities was linked to the significant revenues earned by the sector as a result of the devaluation of the Argentine peso by nearly 500 percent in 1981, which enabled it to ship out large amounts of exports.

IMPORTANCE OF INCREASING GRAIN PRODUCTION STRESSED

Buenos Aires LA NACION in Spanish 1 Jul 82 p 6

[Text] The national economy, urgently in need of stimuli to rescue it from its plight, requires that agricultural production--and, if possible, industrial production--be bolstered. This vital need has led the government in Buenos Aires to facilitate credit to the rural sector by means of a plan whose general features have just been announced in La Plata by the provincial governor. The aim of the plan is to expand the area of land under cultivation with grains and oleaginous seeds in order to step up shipments abroad over a relatively short period of time. This will happen if, as expected, the program is well received.

In the case of planting crops, the credits to be granted will be for a 1-year term with a 6 percent interest rate, payable at the end of each 6 months. The loans can be renewed for up to two terms at the borrower's request, under the condition that the area under cultivation be maintained. This is more than enough information to understand the liberal terms of the loans. The same program calls for similarly generous loans for the purchase of machinery and tools and the construction of silos. It is clear here, then, that the government has set out to support farmers so that they can operate under proper conditions and successfully carry out the undertaking that is being stimulated for reasons of national interest.

The situation the republic finds itself in long after the war should provide a decisive impulse to the redoubled effort to extract as many resources as possible from the land so that they may be converted into foreign reserves that will alleviate our suffering. The objective of expanding cultivated land, consequently, has taken on the utmost importance, because if it is achieved, the recovery could take place in a much shorter time than would be necessary without the open support of the farm sector. In short, Buenos Aires has taken steps to respond positively to one of the most urgent requirements of the moment. Now it is simply a question of the plan's beneficiaries giving it their quick approval.

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CSO: 3010/1983

REFINANCING OF AGRARIAN SECTOR'S DEBT DISCUSSED

Buenos Aires LA PRENSA in Spanish 14 Jul 82 p 10

[Text] The president of the Argentine Agrarian Federation (FAA), Humberto Volando, reported that the debts of the agriculture sector could be refinanced at 6 percent a month over a period of 5 years, and that those which are in arrears or whose payment is being enforced by banks could be redeemed and also refinanced.

He stated that if this process takes place, it will be "a great step forward with regard to the Bond to Refinance Liabilities."

He pointed out that this would virtually amount to a liquidation of agricultural liabilities, which would allow for the elimination of debt indexation.

Volando made statements to journalists at the end of a meeting he had with the head of Agriculture and Livestock, Victor Santirso, in the latter's office.

The FAA president went to the meeting accompanied by the vice-president of that organization, Ricardo Laffaeye, Treasurer Loris Donati and Director Daniel Boo.

He reported that he had expressed to Santirso the FAA's concern about the National Grain and Meat Boards, indicating that he had proposed that the respective presidents of those organizations be designated instead of referees.

He also said that he asked Santirso to request lists of candidates from agricultural organizations to make up the boards of directors of the two entities.

CAP and INTA

He also remarked that they had discussed the issue of the Argentine Meat Producers Cooperative (CAP).

In that regard, Volando pointed out that they asked Santirso to promote a law to annul the liquidation of the CAP and to suspend bidding on CAP-Cuarteros, and to take steps to return to producers what is left of that organization.

He noted that the official had told him he did not know what the reaction would be in other circles to the reconsideration of a process that is well underway.

Furthermore, Volando expressed his concern about the fate of the National Institute of Agricultural and Livestock Technology (INTA), and urged that its financial autonomy be reinstated.

Finally, he repeated his request that mandatory minimum support prices be set for all types of grains, particularly coarse grains, in this case before next 31 August.

Boo reported that they had talked with Santirso about the Central Market of Buenos Aires and about the need for it to open by next 1 December, as promised by former President Roberto Viola.

He stated that today a delegation from the Independent Cane Workers Union of Tucuman (UCIT) will meet with Santirso to talk about the price of sugarcane and its eventual readjustment.

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CSO: 3010/1983

ESQUIVEL LETTER TO BREZHNEV REQUESTS DISSIDENT'S RELEASE

PY031533 Buenos Aires NOTICIAS ARGENTINS in Spanish 1205 GMT 31 Jul 82

[Text] Buenos Aires, 31 Jul (NA)--Adolfo Perez Esquivel, winner of the 1980 Nobel Peace Prize, has made public a letter he addressed to Leonid Brezhnev, chairman of the Supreme Soviet Presidium, requesting the release of dissident Anatoliy Shcharanskiy, who has been confined to the Chistopol Prison for several years. The letter had been turned down by the Soviet Embassy in Argentina.

In a communique released today, Perez Esquivel, who is general coordinator of the justice and peace service in Latin America, states that the letter was rejected by Soviet Minister Counselor (Viktor Roynov) on the contention that it was "interference in the domestic affairs of his country."

In his letter, Perez Esquivel asked Brezhnev to let Shcharanskiy leave the Soviet Union to join his family in Israel and noted that the prisoner "is now in bad health and needs the adequate means for his recovery."

Commenting on the reasons claimed by the Soviet diplomat to reject his letter, Perez Esquivel says in his communique that "human rights transcend the borders of any one country and affect all mankind."

He adds that "human rights were recognized by the very countries which are now rejecting them and violating them as happened in Poland, Afghanistan, Hungary, the Berlin Wall and as is the case of the so many peoples subjected by the Soviets."

Perez Esquivel also notes that Shcharanskiy's mother asked him to have his letter disseminated by the World Press.

Together with the communique and a copy of his letter to Brezhnev, Perez Esquivel also released a letter written by Shcharanskiy's wife last January in Jerusalem in which she describes the hardships endured by Anatoliy in prison and the sufferings inflicted upon Jews through persecution in the Soviet Union.

CSO: 3010/2062

NICOLAIDES 'READY' FOR THOSE FOSTERING AGITATION

PY021302 Buenos Aires BUENOS AIRES HERALD in English 1 Aug 82 p 11

[Text] (NA)--Army Commander-in-Chief Cristino Nicolaides yesterday called on businessmen and shopkeepers to "adapt their profits and set reasonable prices to agree with the real needs of the country at the moment," adding he believed "this reasonableness of prices will be achieved."

Nicolaides also pointed to the "exemplary moderation of the most responsible" political parties, but warned against "groups which are looking for objectives closely related to subversion."

"I am also ready for that," he added.

Nicolaides spoke to reporters at the General San Martin Military Plant following a ceremony commemorating the 34th anniversary of General Nicolas Savio's [the founder of the Argentine military industry] death.

Nicolaides said that everything related to "the transfer of political power" is included in document number 228, which has an annex, and has been countersigned by the commanders in chief of the three armed forces.

"The country is going through a great number of problems, and this is the challenge the national government is facing."

"To face the challenge, it is highly necessary that the government have the cooperation of all sectors to achieve the objectives I believe are fundamental, like, for example, bringing as many solutions as possible to the most needy sectors of the population, in a gradual and progressive way," he said.

The commander-in-chief said that the reactivation of the economy will be achieved through a balance of profits, prices and needs.

Referring to the action of politicians demanding the lifting of the ban on political activities on 1 July, Nicolaides said: "The most responsible sectors in the country, politically speaking, have shown an exemplary moderation, which I want to stress."

"There are some groups which are looking for objectives closely related to subversion, in that sense I am not worried because (they have wielded) only words

"so far, but I hope that the moderation shown by the rest of the population will limit or neutralize the activity of these small groups which are fostering agitation. I am also ready for that," Nicolaides commented.

He also said that the armed forces will modernize their military equipment "in accordance with the economic possibilities of the army, which are very similar to those of the country."

Nicolaides said that the imminent "sanctioning of the political parties' statute is not conditioned to the reintegration of the military junta."

CSO: 3020/158

OPPOSITION VOICES CONCERN OVER PINDLING'S 'STRIKE FORCE'

Nassau THE TRIBUNE in English 2 Jul 82 p 1

[Article by Gladstone Thurston]

[Text]

PRIME MINISTER Lynden Pindling's recently announced 'Strike Force' "by its very name sounds threatening and smacks of victimisation against our people," Free National Movement High Rock MP Maurice Moore said today.

He demanded clarification of the purpose of the Strike Force, which he saw as "a most serious move" and one that greatly distressed him.

"Pindling must come now and let us know if this is just another way of grabbing more power for himself,"

Moore said. "They have a 32-seat majority in Parliament, and unless the intent is to incite civil unrest, there is no need for any Strike Force in the Bahamas."

That the Prime Minister announced the Strike Force along with his Cabinet, Moore said, "is evidence that he doesn't have faith in the ability of his own Cabinet Ministers. We would like to know what is the real purpose of the Strike Force and who will it strike against."

He expressed concern about the Strike Force, which he said was mentioned so casually "and which could have such dangerous effects on our peaceful society. Instead of trying to grab more power for himself, the Prime Minister should be trying to put this country back to work. We need an employed work force, not a dangerous Strike Force."

Moore, who was returned to the House of Assembly in last month's general elections, also called on the Government to reflect the Opposition in its government appointments and decisions.

It is most important, he said, for government to look at the popular vote that was cast in the last election.

"This popular vote shows clearly that the elections were very close, and the country is just about evenly divided as to which political party they prefer," Moore said.

"That is why, if the Prime Minister is

going to be the leader of all the citizens of this country, he must begin now to make decisions that reflect the wishes of the people.

"He can do this in many ways, but primarily, he must make sure that when political appointments are being made, the make-up of those Boards and committees must include Opposition members."

This, he said, would pertain especially to appointments for the Board of Works, Town Planning, Board of Health, Local Government and Licensing authorities.

That is not a new idea, he said. That concept is a vital part of the Bahamas Constitution. For precedent and a clear-cut example, he referred to the appointment of Senators as provided for by the Constitution.

The ruling party appoints nine members to the Senate,

while the Opposition appoints four. The other three Senators are appointed by the Governor-General in consultation with the Prime Minister and the Leader of the Opposition "so as to reflect the make-up of the House," he said. "This means that the final three seats must reflect the entire makeup of Parliament and the expressed wishes of the electorate."

With that example as a guideline, he reminded the Prime Minister that it is his (prime Minister's) duty to reflect the intent of the Constitution in all appointments to be made.

"These appointments are most important, and must have a balance that will enable the entire voice of our country to be heard and represented - not just one segment of the nation," Moore said. "This is the true spirit of the Constitution in action, and it must be felt in all phases of government."

He warned Prime Minister

Pindling and his Ministers that if a large portion of the Bahamian society cannot find representation in the areas where they should be represented, "then they will seek other outlets and this could have drastic repercussions to our system and the country."

"The governing party must now put aside petty party politics and appoint only those persons who are qualified to best represent the views, aspirations and needs of the community in which they live," Moore said. "Past appointments showed that the Government was trying to bring down the level of the community to that of the appointee."

"You cannot strengthen the weak by weakening the strong. You cannot help the poor by destroying the rich. You cannot build character and courage by taking a man's initiative and independence. Your actions must always show that your intention is to lift up and improve your fellowman."

CSO: 3025/381

ISAACS DISPUTES 'FINANCIAL DIGEST' ELECTION ANALYSIS

Nassau THE TRIBUNE in English 9 Jul 82 p 1

[Text]

FREE NATIONAL
Movement Leader Kendal Isaacs today called the Bahamas Financial Digest's analysis of the recent general elections "nothing but a pro-PLP, anti-FNM tirade of concocted half-truths, untruths and misconceptions."

In a press statement Mr Isaacs, MP for Delaporte, today took issue with several points in the analysis by the Financial Digest, a monthly business and investment report edited by Michael Symonette.

"The Digest's analysis turns out to be nothing but a pro-PLP anti-FNM tirade concocted of half-truths, untruths and misconceptions and since it is circulated here and abroad I will deal with some of the matters raised," Mr Isaacs said.

He accused the Digest of dutifully repeating the PLP propaganda line that there has been stable and progressive government under Prime Minister L O Pindling for the last 15 years.

Mr Isaacs said Mr Symonette would be right if he was speaking about stability only in terms of time in office. "The same definition could have been used to describe the long and despotic rule of Josef Stalin over Russia.

"If Mr Symonette means stable in terms of any other definition, then he would be quite wrong," Mr Isaacs said. "For 15 years the PLP has failed to produce a stable and progressive economic policy for the country."

He said the PLP has been ad hoc-ing "all the way" and their failure in this direction is amply demonstrated by the chronic and widespread unemployment which the country now suffers and will continue to suffer for some years "barring a miracle."

He said the PLP performance in education is a failure as thousands of children have been put through the system finishing up hardly able to read and write and totally unequipped with skills to make a decent living.

"Only now, after 15 years in power, is the PLP government talking about implementing an education policy suitable to the needs of the country," he said.

Mr Isaacs said the Digest repeats the complaint by Mr Pindling that "black middle class, senior civil servants and professionals" supported the FNM, but did not repeat his outrageous threat that he would "deal with" them.

"Perhaps this so-called 'business and investment report' realizes what serious damage can be done to the country if Mr Pindling attempts to carry out his threat," he said.

Mr Isaacs said that and economy that has failed to expand adequately over the last 10 years would be further damaged and the whole Bahamian society would suffer disastrous consequences.

Accusing the Digest of slavishly repeating the PLP

estimation of racial prejudices accounting for its loss of several seats like Shirlea, Montagu and Delaporte. Mr Isaacs said "it could not bring itself to ignore the fact that Marsh Harbour and St John's - both with large numbers of white Bahamians - were won by the PLP."

"It would seem by the logic of the PLP and the Digest that whites who vote for the FNM are racially-motivated while those who vote for the PLP have overcome their prejudices," he said. "This is a notion which the FNM rejects."

He pointed out that both the leadership of the PLP and FNM are predominantly black and those who voted against the PLP did so because they were fed up with its incompetence, spitefulness and corruption.

On the Digest "speculation" on alleged conflicts in the leadership of the FNM, he said the entire leadership of the FNM fully co-operated with him as Leader and Chairman

Cecil Wallace
Whitfield gave

him all the support he could when he returned to lead the party.

"Bahamian readers will understand that the allegation that Mr Whitfield campaigned against me in Delaporte is just another of the ridiculous lies which are served up in the PLP's Herald every week," Mr Isaacs said.

However, he said, the Digest did concede that the FNM conducted a professional-looking campaign and attributed all of it to foreign public relations consultants.

He said the party had professional consultation on certain aspects of the campaign, which did not cost

anywhere near the figure mentioned by the PLP, but the campaign was entirely in Bahamian hands.

He also denied that the foreign consultants chose the party's red, white and blue colours. He said those colours were chosen 10 years ago.

He said the PLP has used

foreign consultants in every election since 1967.

He said the PLP and the Prime Minister have demonstrated a strange attitude since the June 10 election and perhaps it is because some candidates they ridiculed, maligned and tried to destroy will face them in the new parliament on August 10.

"They also know that for the first time in 10 years in parliament they have to deal with the front line of the FNM's leadership," he said.

He said the Digest's most significant concession to the truth was that the FNM's leading figures all won their seats with the result that the next five years are likely to be among the most interesting, stimulating and productive in recent parliamentary history.

"The stimulation will be there. We will see to that. How productive this new term of parliament will be will depend on the ability of the PLP government to take good advice," Mr Isaacs said.

CSO: 3025/381

BATELCO WORKERS VOTE TO STRIKE IF CONTRACT NOT IMPLEMENTED

Nassau THE TRIBUNE in English 9 Jul 82 p 1

[Article by Gladstone Thurston]

[Text]

WORKERS at Bahamas Telecommunications Corporation (Batelco) today voted to stop work until their industrial contract, ratified over a month ago, has been implemented.

Representatives from the various Batelco departments met outside the Poinciana Drive station during lunchtime this afternoon and decided that stopping work was the only course of action available to enforce implementation of their contract.

The contract, negotiated on the workers' behalf by the Communications and Public Officers Union (BCPOU), was ratified by the workers on June 8 at an emergency meeting.

Union shop steward, Audley Williams, said today that as far as he knew, only the signature of Works and Utilities Minister A Loftus Roker is holding up implementation of the \$10.5 million contract. A release from General Manager Errol Leach yesterday said Mr Roker was not to be blamed for the delay. He said the contract had to be checked, adding that that was a "time consuming exercise."

"We want our money," Williams said. "We are going to stop (working) until we get our money."

Williams said the work stoppage probably will not become effective until Tuesday

when the word is spread around to all departments and workers on the various shifts.

He recalled that Prime Minister Lynden Pindling, during an election campaign speech, said the contract was signed and the money was available and, as far as the public was concerned, the Batelco workers are satisfied. That is not so, Williams said.

"The money is available, definitely," Williams said, "but it is my understanding that the signature of Mr Loftus Roker is holding it up. His signature is a formality. All the other signatures that are supposed to be there (on the contract) are there. His (Roker's) signature sets the wheel in motion to issue cheques."

The Corporation reportedly told the workers that the contract is being rechecked. It was, Williams' view that it should not take more than a day to look over the contract as it is a very simple one.

Conspicuously absent from today's meeting were officials of the BCPOU - Charles Bethel (president), and Keith Archer (vice president). Williams called today's session "a turn about."

"It is not their (union officials) place at the moment to tell us what to do," Williams said. "We should be telling them what to do. They are our servants. The people are serious about their money. The results

of this meeting would be passed on to the president and vice president and they will act accordingly."

Although only a handful of the total work force at Batelco turned out at today's meeting, Williams stressed that that represented a cross-section of the representatives of the different sections. All the important people were there, he said.

The ball, he said, is in management's court. "There is only one way to attract the attention of the people upstairs (management) and that is to stop work," he said.

The workers, he said, were led to believe that the contract would be implemented by June 30. That did not occur. There is no one in management who could give the workers any reasonable explanation.

"Closed doors are everywhere," Williams said. "They (management) are passing the buck to and fro. This is irritating; it is humiliating and it's downright outrageous. They are playing with our minds. No sensible person can stand by and let them do that."

The agreement covers salaries and fringe benefits over a three-year period, retroactive to October 1 last year when the last contract expired. According to the BCPOU, management agreed that pay increases with back pay would have been given at the end of June.

RENT CONTROL BOARD INACTIVE; COMPLAINTS MOUNTING

Nassau THE TRIBUNE in English 9 Jul 82 p 1

[Article by Athena Damianos]

[Excerpt]

THE RENT Control Board -- which was introduced by Government as one of its major Social Revolution programmes in 1979 -- has stopped functioning.

And Acting Judge Jessel Hannays has asked to be relieved of his duties as Board Chairman.

Contacted yesterday, Mr Hannays said the Board has not heard any complaints this year.

"I'm afraid I'm so busy here," he apologised. "I wrote some time ago and asked that someone else be appointed."

Mr Hannays said there was a backlog of landlord-tenant cases and "there should have been hearings all through the year." He declined to comment any further.

The Rent Control Act makes no legal provision for a full time chairman to hear rent control complaints. It is understood that Mr Hanny's duty as an acting judge does not leave him with enough time for the responsibilities of Board chairman.

Meanwhile, there have been

reports of new disputes between landlords and tenants that have occurred as a result of confusion over remarks made by Deputy Prime Minister Arthur Hanna on rent control.

Mr Hanna told tenants in January, 1980, that if their landlords failed to declare the assessed value of the property they were renting, "don't pay him. If you pay him you are foolish."

Many tenants understood this remark to mean that they did not have to pay their landlords if they were not happy with the terms of rental.

A number of tenants were locked out of their apartments for withholding rent. Some of the landlords shut off the water and electricity to force tenants out.

Many landlords have upgraded their property to avoid rent control. Dwellings that are valued at \$25,000 or under are subject to rent control. This move by landlords has created a serious shortage of reasonably priced apartments.

JACKMAN COMMENTS ON EEC, ACP TIES

FL292159 Bridgetown CANA in English 1958 GMT 29 Jul 82

[By Reudon Eversley]

[Text] Bridgetown, Barbados, 29 July, CANA--There is mixed feeling among African, Caribbean and Pacific (ACP) developing countries and the European Economic Community (EEC) to a proposal that the formal relationships between the two blocs be given permanent status rather than through the renewable five yearly Lome Convention, a senior Barbados diplomat said here today.

Oliver Jackman, Barbados permanent ambassador to the EEC, made the point at a news conference.

"The kind of thing I think Mr (Edgar) Pisani (the EEC development commissioner) has in mind would be a convention which says: We and you together agree for an indefinite period to pursue certain kinds of cooperation...then you have under an umbrella a number of more specific agreements..." Mr Jackman explained.

He added: "At first look, it is a very attractive idea, (but) a number of ACP countries wonder whether the effect of such an approach might not be in fact to waken ACP solidarity and there are some people who go far as to think of it as a Machiavellian plot, in fact, to destroy ACP solidarity."

"...You can see the effect: If we have a sugar agreement, and you have a banana agreement, and you have an iron and steel agreement, the points at which we have common positions tend to diminish...."

Barbados supports the idea of a more permanent cooperation arrangement between the ACP grouping and the EEC. This Jackman said would enable member states to fully benefit from provisions which are now hampered by the time limit in the present Lome trade aid and cooperation treaty, which must be renegotiated every five years. One area he cited was industrial investment.

Regarding complaints about what is seen as a disparity in EEC aid dispensed to the 63 ACP states, Ambassador Jackman said a committee was looking at the problems with a view to improving the mechanisms for the disbursements of EEC funds and their usefulness.

"One of the things which the ACP fought very hard for and didn't quite achieve in the negotiations for the Lome (Convention) was a greater participation by ACP countries themselves in the decision making process on aid and we are hoping obviously that when we negotiate a third convention,...we will get much better mechanisms for that," he said.

Mr Jackman also said the EEC was looking at the situation regarding ACP sugar which Europe buys at a guaranteed price. The EEC he said was willing to give financial support to ACP sugar producing states in their research to make the industry more viable.

Barbados, whose sugar industry is now in a very depressed state, had not applied for such assistance, he added.

On plans for the establishment of an ACP bank, the Barbados ambassador said plans were still on the drawing board. The current idea of the bank's purpose was that it would facilitate trade between ACP states.

Mr Jackman lamented that little had been achieved under the industrial provisions of the two Lome treaties generally for ACP states, but he said Barbados was fortunate in that it was able to send two representatives of the Industrial Development Corporation (IDC) to sound out investment possibilities in Brussels--the centre of EEC activity--with the help of the Centre for Industrial Development (CID).

CSO: 3025/1132

EEC TO PROMOTE REGIONAL COOPERATION, SAYS PISANI

FL291453 Bridgetown ADVOCATE-NEWS in English 25 Jul 82 p 2

[Excerpts] Under the Lome II Convention, it is being planned to have greater regional cooperation between Barbados and other islands.

This was last Friday discussed by Mr Edgar Pisani, the European Economic Community commissioner for development, at the end of a tour of the Oistins fisheries terminal project, Christ Church.

Mr Pisani said that the areas include research, agriculture, university improvement and tourism.

He said that the EEC is ready to help the regional countries work closer together, for the benefit of the region.

"When we take together all the support given to Caribbean countries by Europe and the member states, we reach a tremendous amount of money: much more than the United States are proposing to give under the Caribbean Basin Initiative (CBI)," Mr Pisani added.

He continued: "We are here with much more money given and not only promised. We are aware of this link we have together and we think that such a link is needed by yourself and by ourselves to maintain a good relationship between the Caribbean and Europe." [passage omitted]

Commenting on the talks he had during his three-day stay in Barbados, he said that the next convention was discussed and how the situation would be in 1990.

"It seems to us that the world will be different in that time than it is now and we are preparing a more flexible system of cooperation to be able to take into account the situation then," the EEC official added.

About the Caribbean Development Bank (CDB), he noted that it was a bank of the West Indies; and the first thing it had to do was to "open the door" to other islands of the region.

He said that links have to be improved with all the other Caribbean Islands whatever their language. [passage omitted]

CSO: 3025/1132

BRIEFS

NORWEGIAN ENVOY VISITS—Norway's first ambassador to Barbados, Mr Per Galby Ravne is in Barbados on a four-day official visit before returning home to assume the post of director-general of political affairs in the Royal Norwegian Ministry. While in Barbados, the ambassador will pay farewell courtesy calls on the governor-general, Sir Deighton Ward and the deputy prime minister, Mr Bernard St. John. He will also call on foreign minister Mr Louis Tull and other senior officials of the ministry of foreign affairs. Ambassador Ravne leaves Barbados on Tuesday—(GIS) [Text] [FL271700 Bridgetown ADVOCATE-NEWS in English 22 Jul 82 p 1]

CSO: 3025/1132

BRIEFS

RUSSIAN SHIP LOADS SUGAR--A Russian ship now in the Belize Harbour taking on a load of sugar for the United Kingdom is causing people to speculate that Belize sugar may be bound for Russian consumers through the British company Tate & Lyle. The ss Santiago de Cuba trades regularly between Cuba and the Warsaw Pact countries and the Russians are said to be anxious to pick up extra Caribbean freight between stops. [Text] [Belize City THE REPORTER in English 11 Jul 82 p 1]

CSO: 3020/155

PLP RAPS GOVERNMENT CONSTRUCTION POLICY, CALLS FOR CONTROLS

Strain on Manpower

Hamilton THE ROYAL GAZETTE in English 6 Jul 82 pp 1, 2

[Excerpt]

Mr. Gilbert Darrell, P.L.P. Shadow Minister of Planning, last night accused Government of mismanaging the construction industry. Noting that 21 construction projects are currently underway, Mr. Darrell called on Government to phase major construction projects. Mr. Darrell said in a press release that the construction labour force was "stretched to the limit". For evidence of this, he referred to the 1980 Manpower survey, which lists 1,530 construction workers, 50 to 75 of whom are non-Bermudian.

"The indiscriminate addition of any major new commercial building projects not vital to the livelihood of the community simply exacerbates a situation already acting against the best interests of the community in the long term:

"It is our contention that unless major construction projects are phased in a manner that will not put any further strain on the labour force by requiring more non-Bermudian construction personnel, or forcing up material and labour costs to the disadvantage of the remainder of the community (particularly in terms of sorely needed housing), this activity will be of no lasting benefit to the broad range of Bermudians.

"Growth for growth's sake

is not necessarily in the interests of the broader community. Major building projects should be phased in accordance with the needs of all Bermudians, not merely to generate additional revenue for one narrow group or additional jobs for more imported, non-Bermudian workers — whose presence creates further stress and strain on our delicate infrastructure, including housing.

"If the tourism industry can be strictly controlled, then so should other aspects of the economy when overheating."

Accusing Government of mismanaging the construction business, Mr. Darrell noted that the 1980 Development and Planning Amendment and Validation Act,

Government Response

Hamilton THE ROYAL GAZETTE in English 13 Jul 82 pp 1, 22

[Text]

The Hon. Haskins Davis, Minister of Planning and the Environment, has rejected charges from his P.L.P. counterpart Mr. Gilbert Darrell that the construction industry was stretched to the limit.

Mr. Darrell last week said that Government was mismanaging the construction industry, which should be phased.

But Mr. Davis said he had been meeting regularly with his Construction Advisory Committee and "it has been concluded that there are absolutely no signs of overheating and there is no need for phasing".

"Contrary to Mr. Darrell's figure of 21, there are in fact, 30 large projects in progress, which the industry is handling without undue strain," Mr. Davis said in a press release. "The primary indicators that the construction industry is in a healthy state are that major building projects are being completed on schedule and there is enough competition within the industry to ensure that contractors are available and able to begin projects within a reasonable time."

Neither, Mr. Davis continued, was there a need to reenact the Validation Act — as Mr. Darrell had suggested. That act, which Mr. Darrell said had been allowed to expire, was designed to give the Planning Minister the power to withhold a licence to build a commercial building.

Mr. Davis said the construction industry was self-regulating "within the acceptable parameters of the free enterprise system".

Mr. Davis also pointed out that housing construction was on the decline because of a combination of high interest rates and a shortage of money. "Wage settlements in excess of the rate of inflation have definitely not helped," he said.

In response to a question posed by Mr. Darrell, Mr. Davis said that the numbers of non-Bermudian construction workers had increased slightly since 1980.

"The airport ramp development project and some major airconditioning projects in the hotels accounted for a temporary increase of a mere 1.4 percent," Mr. Davis said. "There are periodic shortages in certain areas such as carpentry and plumbing, but these too are self-regulating."

CSO: 3025/382

UBP 'REBELS' ESCAPE CENSURE BUT POSE THREAT IN HOUSE VOTES

Hamilton THE ROYAL GAZETTE in English 3 Jul 82 p 2

[Text]

This week's meeting of the United Bermuda Party Caucus stopped short of formally censuring rebel M.P.s Mr. Ralph Marshall and Mr. Harry Viera who refused to toe the party line in a House of Assembly vote last week.

But it is understood that a special committee appointed at Thursday's meeting will include in its brief consideration of how to deal with cases of M.P.s disregarding the party Whip.

The two Southampton West members embarrassed Government by calling for further study of legislation setting up the West End Corporation which will implement the Dockyard Plan. Government had set last Friday as the last day of the Parliamentary session, and wanted to push ahead so the corporation could start work during the summer.

But Mr. Marshall, who was particularly concerned at the prospect of 220 acres of land being transferred out of Government's hands, moved that the House delay the legislation.

He was joined by Mr. Viera and all of the Opposi-

tion Progressive Labour Party, causing a tied vote. Government got its way only on the casting vote of the chairman, Mr. David Wilkinson.

There had been speculation that the two backbenchers would face some sort of censure at the Caucus meeting, although even had the matter been raised directly — which it was not — it would not have been a clear-cut issue.

It is known that before the House vote most Government members had agreed to go along with an amendment suggested by Mr. Marshall. But some vocal backbenchers said no and Government support was withdrawn, leaving Mr. Marshall no alternative but to propose the legislation be held up.

The ambivalent attitude of many M.P.s last week would have made a mockery of any attempt to discipline Mr. Marshall and Mr. Viera. So it is believed the Caucus agreed to let the matter be considered by the Caucus procedure committee, which was appointed on Thursday.

The committee has to be

set up each year at the last Caucus meeting before the summer recess.

Many within the U.B.P. are growing increasingly concerned at Mr. Marshall's constant criticism of Government in public, which began shortly after he was dropped from Cabinet by the then new Premier, the Hon. John Swan, in January. But while he has regularly sniped at Government, last week was the first occasion on which he has actually voted against his party.

His colleague, Mr. Viera, has for years been a thorn in Government's side with his outspoken comments. But the balance of power in the House now gives added importance to his and Mr. Marshall's votes.

With one of their members being the Speaker, the U.B.P. has a working majority of only three over the P.L.P. If they were to lose the votes of the Southampton pair on occasions Government would have to ensure every one of its members were present for House votes.

UBP MP VIERA CRITICIZES GOVERNMENT FOR 'CHAOS' IN HOUSING

Project Mishandling Charge

Hamilton THE ROYAL GAZETTE in English 5 Jul 82 pp 1, 2

[Text]

Progress at an \$8 million housing scheme in Southampton was described last night as "chaotic" by Government M.P. Mr. Harry Viera. And he accused Government of making misleading statements about the project.

Mr. Viera was angry at Government denials that the "Rockaway" development was behind schedule and likely to run well over projected costs.

He made the claims earlier this week. But Government has since said everything was going smoothly, apart from a few minor delays, and costs would not escalate.

Yesterday, however, Housing Minister Dr. the Hon John Stubbs admitted there had been delays and that

costs were likely to be higher than first estimated. He said a "communications problem" was probably at the heart of Government's strong denials of Mr. Viera's claims.

Mr. Viera, who represents Southampton West, said yesterday that he had three reliable sources who indicated to him that the project had been "in chaos".

"Government is inaccurate here," Mr Viera said. "I maintain that the project has seen tremendous delays and there will be considerable cost over-runs. Government's position on this is untrue."

"It is fair to say that during the last few weeks things have been going a little more smoothly but prior to that there has been chaos."

Mr. Viera claimed that the project had undergone difficulties right from the start. "I gather that the plans for it were bad in the first place," he said.

Threat to Stability

Hamilton THE ROYAL GAZETTE in English 9 Jul 82 pp 1, 2

[Text]

Bermuda's housing crisis could ultimately destabilise Bermuda's economic and social fabric, the Shadow Works and Housing Minister, Mr. Walter Brangman warned last night.

Mr. Brangman's gloomy view came in the wake of remarks made by Government Chief Statistician Mr. John Randall which must have "shocked most Bermudians".

In remarks made in the Mid-Ocean News, Mr. Randall quoted a 1980 Census statistic of four percent of Bermuda's families living in overcrowded housing.

Said Mr. Brangman: "Since this amounts to over 2,000 people living in overcrowded housing conditions in this small country, we wish to reiterate that such a situation is intolerable in a country such as Bermuda that has the resources to correct this critical situation."

He continued: "A country with the delicate and sensitive social and economic environment of Bermuda cannot tolerate over 2,000 persons living in overcrowded housing."

"It has often been said that during riots and other disturbances that have occurred in Bermuda at reg-

ular intervals, only three or four hundred young people have been involved.

"It is our contention that such social conditions as inadequate housing contribute to the environment producing frustrated youth and the 700 overcrowded households revealed by the Census can easily produce such conditions.

"It only takes a few thousand underprivileged Bermudians living in sub-standard conditions to foster a situation that can ultimately destabilise all of Bermuda and its economy."

Mr. Brangman said the hardship was not restricted to a few "cases at the margins" as Mr. Randall suggested. "It is our view that people at the margin are all people attempting to rent a housing unit in today's market."

The crisis encompassed newly weds starting a family, the estimated 700 overcrowded households and the 300 houses sharing or having no flush toilets. The shortage could not be explained away simply by the growing tendency of young people to set up home independently, he said.

CSO: 3025/382

GOVERNMENT CHARGED WITH SELLOUT OVER TIMESHARING PROJECT

Hamilton THE ROYAL GAZETTE in English 16 Jul 82 p 1

[Text]

A confidential memo prepared by a former top-ranking Cabinet Minister claims Government "sold their souls" over the St. George's timesharing scheme. He believes the U.B.P. Caucus was not told the "whole or true" story when it agreed to extend the lease for the York-Hannover scheme to 55 years. And he says he is sure Bermudians would have been interested in developing the site if they had known timesharing would be allowed. Instead, the money-making project went to a foreign company without Bermudians being given the chance to make proposals on a timesharing basis.

He also questions the behaviour of the man who was Government's consultant on timesharing, Mr. Richard Marr. Mr. Marr met Government to advise on timesharing legislation just three days before joining York-Hannover as their top man for the Bermuda project. Government says it did not know he was about to join York-Hannover.

The six-page memo was prepared by the Hon. Ralph Marshall, who as Minister of Works until January this year shared responsibility for the St. George's development with Tourism Minister the Hon. C.V. (Jim) Woolridge. After Mr. Woolridge, Mr. Marshall was the Minister most closely involved with the scheme.

The memo, dated March 30, 1982, was sent to the U.B.P. head office to be discussed at the next Caucus meeting, but never was. It is believed that copies were

then sent to U.B.P. Senators before the Senate discussed the extension of the York-Hannover lease from 30 to 55 years.

The Royal Gazette has obtained a copy of the memo. But Mr. Marshall refused to discuss it, other than to say he still stands by it.

Mr. Marshall's motives in producing such a memo are sure to be questioned. He was not given a Cabinet post by the Hon. John Swan when Mr. Swan was elected Premier in January. He had

been a Minister for 10 years, and he made no secret of his personal feelings towards Mr. Swan over the manner in which he was dumped.

Since becoming a backbencher he has been a consistently outspoken critic of Government—an approach that has led to many of his colleagues, both privately and in public, accusing him of having a long-lasting case of sour grapes.

On the other hand it is known that he has never been an enthusiastic supporter of timesharing at St. George's. He has spoken out in Cabinet against various aspects of the proposals.

And as Minister of Works he clearly knew a lot about the behind-the-scenes activities that have never previously been made public.

He ends his memo by saying: "I hope that this memorandum puts this subject in perspective and clarifies the misunderstandings which even Cabinet Ministers apparently have."

It must also be remembered that most of the publicity on efforts to secure some kind of hotel development in St. George's, which ultimately resulted in the timesharing scheme, came throughout 1980. A General Election was to be held at

the end of that year and it was clear the election would be won or lost in the four crucial St. George's seats.

The feeling in Government was that East End voters had to be offered something, and a hotel development with its promise of boosted incomes was an ideal "carrot". No Cabinet Minister at the time would have wanted to jeopardise the U.B.P.'s chances of winning the election by publicly expressing his concern at what was happening in St. George's.

When asked to comment on Mr. Marshall's memo last night, Mr. Swan said: "All of the facts and information available to me indicate that Government's actions and agreements with regard to timesharing in Bermuda have had the effect of fulfilling the commitment made by the Government to the residents of St. George's."

"I am entirely satisfied that all of the Ministers of Government concerned with the project have carried out their responsibilities with care and concern for the good of the town of St. George's in particular and Bermuda in general."

BRIEFS

UNCHANGED INFLATION RATE--Inflation in Bermuda over the past year has remained steady around the 7.7 percent mark, according to figures just released for the Retail Price Index. In the 12 months to May 1982, the annual rate of inflation was 7.7 percent, little changed from the 7.6 percent recorded for the year to April. The rate for May itself rose by 0.6 percent as the Index increased from 155.2 in April to 156.1 in May. The fuel and power index fell 1.9 percent, reflecting lower charges for both electricity and cooking gas. The tobacco and liquor index eased back 0.5 percent as a result of cheaper prices for selected wines. Food, however, increased 0.4 percent and rent by 0.5 percent. Clothing and footwear went up by 0.7 percent, household appliances and services by 0.8 percent and the same for education and recreation. Health and personal care rose by 0.7 percent. The Transport and Vehicle Index rose 1.7 percent, mainly reflecting the effect of higher annual licence fees for larger-sized motor cars combined with increased air fares on selected routes. [Text] [Hamilton THE ROYAL GAZETTE in English 12 Jul 82 p 2]

CSO: 3025/383

RETIRED OFFICERS WANT CIVILIANS IN POWER

PY020046 Paris AFP in Spanish 1737 GMT 1 Aug 82

[Text] La Paz, 1 Aug (AFP)--Approximately 40 retired generals, admirals and officers of the Bolivian armed forces today declared that the country should return to a constitutional state and that the military should immediately withdraw from government functions.

In an extensive document that has been published in the NATIONAL PRESS, the retired members of the armed forces have indicated that they support the position that has been assumed by Gen Juan Ayoroa Ayoroa, former interior minister of the regime that was headed by Gen Alfredo Ovando Candia (1969-1970), who has repeatedly assumed an identical position.

The document states that it was drafted before Gen Guido Vildoso Calderon was named chief of state on 21 July and that the signers of the document have decided to publish it in view of the high command's refusal to grant them an audience that has been requested on several occasions.

Only handing over power to civilians will permit the spiritual uplift that Bolivia needs in order to resolve its very serious problems, the document stresses.

CSO: 3010/2062

FRI LEADER ON 1980 CONGRESS, GARCIA MEZA

PY311930 La Paz CADENA PANAMERICANA in Spanish 1130 GMT 31 Jul 82

[Text] The possibility of reinstating the national congress elected in 1980 has not been discarded. The reason for reinstating the congress would be to elect a constitutional president and vice president. This statement was made by Oscar Zamora Medinacelli, leader of the Revolutionary Front of the Left [FRI], which is one of the seven parties which proposed this as a solution to the national crisis.

The coalition of these seven parties had demanded the reinstatement of the congress. The FRI leader did not give further details on the reinstatement of the congress, as far as date and place are concerned. [begin Zamora recording] Therefore, this congress must engage in gaining the consensus of the congressional members to establish precisely the place for the calling of congress in case the executive branch maintains its position of not calling the national congress. [end recording]

Zamora termed grotesque the remarks made by former President Louis Garcia Meza regarding his reinstatement as commander in chief of the army. In an interview with Radio Panamericana, Zamora Medinacelli stated: [begin Zamora recording] The idea of reinstating General Garcia Meza in the military ranks is an issue which has been totally discarded in our way of seeing things in the country, but we do want to stress the forceful way in which General Garcia Meza wants to regain the reins of the country. This proves once again that the real basis of the current power is still in the hands of (?those who staged) the 17 July 1980 coup. It shows also the forceful way in which General Garcia Meza wants to regain the reins of the country. [end recording]

CSO: 3010/2062

PAZ ZAMORA MEETS SUCRE BUSINESSMEN

PY020200 Paris AFP in Spanish 1746 GMT 1 Aug 82

[Text] La Paz, 1 Aug (AFP)--Political leader Jaime Paz Zamora today stated that the statements made by the former Bolivian president and perpetrator of the 17 July 1980 coup, Gen Luis Garcia Meza, indicating that he would again occupy the post of army commander in chief if the 1980 congress was called in to session, "are a demonstration of cynicism."

Paz Zamora, who was the vice presidential candidate who won in the 1980 elections and who is the top leader of the Revolutionary Movement of the Left (MIR), speaking in Sucre--the historical capital of the country--held an important meeting with Sucre's private business sector, exchanging ideas regarding the implementation of a national economic emergency plan.

Finally, he stressed that the move by several civic committees in demanding the country's administrative decentralization must be termed highly positive, because in no way does it harm the nation's spirit of unity.

He also stressed the fact that municipal elections, which are which are written into the constitution, strengthen the involvement of the regions in the solutions to national problems.

CSO: 3010/2062

STATUS OF USSR-BRAZILIAN TRADE REVIEWED

PY040122 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Aug 82 p 48

[By Jose Negreiros]

[Text] Brasilia--According to a survey conducted by the general secretariat of the finance ministries of the 13 countries that received two-thirds of Brazil's exports last year, the Soviet Union holds 12th place, with almost 3 percent of the foreign market for national products worth \$621,418,000 in 1981.

Seven other countries rank ahead of the Soviet Union on the same order of magnitude, among them Argentina and France, which are traditional trading partners. Brazilian-Soviet trade is large enough to justify attempts at improving the commercial relations between the two countries, particularly after Planning Minister Delfim Neto's visit to Moscow in July 1981 when a trade goal of \$1 billion was established.

However, only a year later, on 20 July 1982 when the 5-day meeting of the Brazil-USSR joint commission ended in Brasilia, the main obstacles to Minister Neto's plan were finally removed: 1) the agreement for exchanging Soviet machinery and equipment for Brazilian manufactured products was extended for 3 years; 2) the counterpart of Soviet purchases was raised from 30 percent to 50 percent of Brazilian exports; and 3) the interest on Soviet financing were increased from 4.5 percent per year on state contracts and 5 percent a year on contracts with private enterprises to 6.5 and 7 percent respectively.

In previous sessions, in addition to the natural difficulties in negotiating with a closed economy, the Soviet side complained about the meager level of purchases by the Brazilian side--which always stood below \$20 million (\$17,966,000 last year), causing a permanent imbalance against the Soviet side. Furthermore, the agreement on the exchange of machinery (of greatest interest for the Soviets) for manufactured goods (crucially important for the Brazilians) has been diplomatically ignored by both sides for 2 years.

During the first 4 months of this year, however, the pace of Soviet purchases was much greater than that of Brazilian purchases. This situation prompted the USSR deputy minister of foreign trade, Aleksey Manzhulo, to make a remark at the meeting of the joint commission: "Last year we only sold \$4 million

"worth of equipment to Brazil, while our total trade in equipment amounts to \$10 billion per year."

In 1982, Brazil should buy 250,000 tons of calcium chloride, 100,000 tons of ammonia, 2,000 tons of nickel, and as much as 5,000 tons of aluminum, while the Soviet Union should purchase 500,000 tons of soybeans, 400 [as published] tons of soybean meal, 10,000 tons of cacao nuts, 10,000 tons of cocoa powder and 40,000 tons of vegetable oil. Reflecting on the situation Manzhulo referred to, however, in this year's first quarter Brazil only imported 150,000 tons of calcium chloride, while the USSR made great strides in fulfilling its commitments in various items. This has translated into a deficit of \$212,139 million against the Soviet Union from January to April.

The only quite successful negotiations so far refers to the transfer of technology for the manufacture of ethanol from wood to the coke and wood alcohol company (COALBRA) which was concluded during Minister Neto's visit. The first three Soviet technicians that will assist in setting up the first pilot plant (there will be 16 altogether) in Uberlandia [Minas Gerais State] will arrive in the next few days. This plant is scheduled to go on stream in April 1983. This \$5.5 million contract with the Litsenzintorg is the largest technological negotiation ever completed between the two countries, and it permits ample access to industrial plants using the acid hydrolysis method. The machinery for these plants is being manufactured in Leningrad.

Along with this contract, the Soviet Union wants to advance to next year supplying four of the five large generators for the Ilha Grande Hydroelectric Plant at a cost of \$120 million, although Brazil wants to have them only by 1984 in view of the slowdown in the energy generating program. In working energy projects in third countries, the Norberto Odebrecht Construction Company is at an advanced stage of understanding with Soviet companies aiming at the construction the Capanda Hydroelectric Project in Angola. Other understandings in the private sector are being made for the execution of similar projects, such as one in Peru, for instance.

That would be a good alternative for bringing interests together if Itamaraty did not approach the question with great wariness, due to U.S. sensitivities regarding ventures of this nature.

Despite the progress already made, the impression of one official who participated in all the talks with Moscow so far is that the euphoria exhibited by the authorities contains much of a diplomatic ingredient in order to show the international financial markets that Brazil has other partnership options should its room for maneuver be narrowed, as happened in 1980-81.

CSG: 3001/205

PMDB MEMBER CHARGED WITH DEFAMING FIGUEIREDO

PY312009 Rio De Janeiro O GLOBO in Portuguese 29 Jul 82 p 3

[Excerpt] Brasilia, (O GLOBO)—The Brazilian Government has requested that deputy Gerson Camata, a PMDB [Brazilian Democratic Mobilization Party] candidate for governor in Espirito Santo be tried under the national security law for having defamed President Joao Figueiredo in a speech Camata delivered during a PMDB rally held in Vitoria.

This case was confirmed by the justice ministry, to which the above request was made. According to a justice ministry spokesman, all the necessary evidence has already been gathered and it will be submitted to the office of the attorney general within the next few days.

The attorney general will decide on deputy Gerson Camata's indictment under the national security law, pursuant to the evidence submitted by the justice ministry. Gerson Camata began his political career in the party formerly known as ARENA [National Renewal Alliance] and he became a member of the PMDB during the political parties' reorganization in 1980.

In the speech he delivered in Vitoria, Camata referred to President Figueiredo as a "lair" and he said that the social security law amendment was made to cover a deficit by punishing the people.

In Vitoria, deputy Gerson Camata said Governor Eurico Resende was responsible for the charges filed against him. [passage omitted]

CSO: 3001/205

CACEX SAYS EXPORT DIFFICULTIES DUE TO FISCAL POLICY

Brasilia CORREIO BRAZILIENSE in Portuguese 6 Jun 82 p 17

[Article by Arnolfo Carvalho: "Only Through Reform Will Our Export Trade Be Increased"]

[Text] The current difficulties in the growth of Brazil's export trade--difficulties which are already threatening to compromise the goals of our economic policy for the foreign sector--do not stem from the shrinkage of world markets nor even from the supposed inefficiency of Brazilian entrepreneurs but rather from the fiscal policy currently in force and from the cooling-off of the economy on the domestic front: a circumstance which is adding to the costs of production and making it impracticable to compete on foreign markets.

This is the conclusion reached by the director of the Foreign Trade Department of the Bank of Brazil (CACEX), Benedito Fonseca Moreira, who emphasizes the importance of "the export enterprises freeing themselves from a tax system which is bad for a developing nation" and also calls attention to the urgent need for "better integration of the merchant marine into the effort to increase sales in foreign markets." He suggests that the entrepreneurs "occupy physical space in the countries of the Third World."

Interaction

Benedito Moreira--who is often regarded as the leading Brazilian expert in the field of foreign trade--does not accept the classic theory of the antagonism between the domestic consumer market and the so-called "export model," whereby one must opt either for the one or for the other. He argues that "the principal instrumentality for increasing foreign sales is precisely the growth of the domestic market, although," he says, "this may appear at first glance to be a paradox."

His thesis is that increased production generates not only exportable surpluses in increasing quantities but also creates more new employment opportunities and in this way helps to strengthen the domestic consumer market and generates the revenue necessary for action by the national government to create infrastructures in the areas of transportation, communications and services in general.

Citing the example of the other market economies in today's world, "all of which," he says, "are seeking an ever greater and more complex interaction with the rest of the world," he points out that even the socialist countries (primarily the Soviet Union and China) "are seeking to expand their foreign sales because--among other reasons--of the need for modernizing their economies and absorbing new technologies."

The director of CACEX sees, in the case of Brazil, an even greater need for finding foreign markets, primarily because of the accelerated growth rate of the population and the urgent necessity of improving the productivity indices of our economy. "We must not stop thinking in terms of the broader picture," he says, "for we do not have the right to halt economic growth. The only theory that remains valid is that production must be increased at any cost, in order to create new jobs and the conditions for building the infrastructure necessary for national development."

Benedito Moreira says that within this context, "and in order to maintain the financial function assumed--in the case of Brazil--by its sales abroad," an effort has been mounted to increase exports but is being obstructed, primarily by a tax policy which acts as a disincentive to production in general and to foreign trade in particular.

"The principal obstacle to an increase in exports," he declares, "is not to be found in the world recession but in the problems faced by the exporting firms in Brazil itself, beginning with the imperfect system of 'credit premiums' which has not been successful--as presently administered--in refunding the taxes levied on production destined for export." He noted that today Brazil exports "between 7 and 8 percent of its gross domestic product, whereas we need to export between 10 and 12 percent during the coming years."

Speaking of the difficulties which the exporting firms are encountering in obtaining full refunds of the Tax on the Movement of Merchandise (ICM) from the individual states of the Brazilian Federation, the director of CACEX acknowledges that there is no solution to these problems within the framework of the present Brazilian tax model, inasmuch as "taxes on production are not limited to the ICM but, on the contrary, extend to various other taxes and surtaxes the refunding of which is permitted by GATT (General Agreement on Tariffs and Trade) but in practice is not taking place."

Inasmuch as the ICM "credit premium" does not represent compensation in the form of money for the tax paid by the exporting firms but merely a tax credit for use in payment of other obligations, these firms ultimately reacted by limiting their foreign sales to only a portion of their production, for they must have paid a certain amount on their domestic sales in order to receive their compensation.

"Realizing that the states are having difficulty in refunding the ICM," Moreira acknowledged, "those firms that intend to operate permanently in the foreign trade field--and especially in the secondary sector--are seeking to establish themselves primarily in those states of the Federation that are economically the strongest, thereby frustrating the effort of the national government to promote economic deconcentration, particularly in view of the fact that the general tendency is to cultivate the export market."

In the meantime, he believes, the objective of using export activity to "create major poles of development in the nation, especially in the Northeast" remains a secondary priority, while the exporting firms are limiting their foreign sales to not more than 50 percent of their total production--precisely because of the conclusions drawn from the ICM "credit premium" system. CACEX data show that in many instances a firm will begin to "import goods unnecessarily" merely to generate compensation--in various forms--for the ICM levied on its raw materials, for example.

Formulas

The problems of export enterprises with respect to the current Brazilian tax system, however, are not limited to the ICM: the foreign sales of these firms are also suffering the consequences of residual effects of the Import Tax (II) as well as the taxes on fuels; on minerals; and on financial, exchange and insurance transactions (IOF)--in addition to other taxes and assessments--for all of which there should be an adequate formula for making refunds, within the limits of what is permitted by GATT.

"The tax system in Brazil today," Benedito Moreira has in fact concluded, "is quite detrimental to a developing country that needs to expand its foreign sales rapidly." He declared that the "credit premium" formula--which is allowed in international agreements--"is merely the most simplistic method." In the case of some taxes levied on exports and refundable by law, no adequate refunding formula has ever been devised.

"It is essential that the government devise new formulas for refunding these taxes," Moreira says, "for the exporters are increasingly in a quandary, especially since the credit restrictions were imposed by the United States as an alternative method for controlling inflation." He acknowledges that any new system must not, in practice, bring about the further impoverishment of the states. While not commenting on the proposal, the director of CACEX concedes that one way to ensure this "full refund" would be through the Fund for the Refunding of Export Taxes which is currently under discussion.

"Personally," he says, "I think the only formula would be to refund the taxes directly, by means of a system that would provide for establishing--in the case of each tax--the corresponding compensation, for otherwise we will be creating an even greater problem for the nation." Benedito Moreira does not accept the argument that budgetary considerations must predominate--that exports cannot be increased by means of according full refunds of the taxes to the exporters, if it would result in a reduction of revenue for the Union and the states.

"Indeed," he says, "if we do not eliminate the taxes on that part of production which is exported, we shall as a result be generating less gross income, creating fewer jobs domestically, and causing even greater problems for the nation's economic and social policy." In this context, he calls attention to the fact that fiscal policy "is not an end in itself but only a means of attaining the ultimate goal, which is social well-being and the development of the individual citizen."

Foreign Market

The director of CACEX believes that once these internal problems that have hindered production in general and exports in particular are solved, the nation will have no difficulty in expanding its foreign sales. "This year alone," he says, "the world is expected to import a total of \$2 trillion worth of goods--virtually the same amount as in 1981, with half of the total representing capital goods--and it is inconceivable that Brazil will not find ways of participating more aggressively to get its share of this pie, for despite all the world's problems, sales continue to be made."

In his opinion, what is customarily ascribed to a "shrinkage in world trade" is merely a tightening of protectionist practices in the face of the recession in the industrialized countries, thereby making more difficult the conditions under which all exporters must compete. "We must recognize," he said, "the fact that we do not have a structured policy to deal with the question of increasing foreign trade; for there is a market for our exports, and all that is lacking is for Brazilians to create the conditions that will enable them to meet the demand."

In his opinion, the east coast of the United States alone "imports more than Brazil does, and yet we do not make any sales in that region because we are not structured to do so, just as we are not structured to sell in some other markets. This is because we are not accustomed to sell what we produce, but merely to allow part of it to be purchased...." The director of CACEX points to at least four basic items in connection with which Brazil needs to reorganize in order to meet the challenge posed by the necessity for development that is integrated with the world economy and in order to ensure an annual growth of 20 percent in its exports.

"First of all, the exporter must be guaranteed that there will be continuity in respect to the incentives, without violating the international agreements on the granting of subsidies. This would be accomplished by means of a tax reform providing for a full refund of taxes levied on production destined for foreign markets.

"Second, there must be continuity in the management training program for Brazilian exporters, in concert with efforts to develop areas that are basic to foreign trade such as quality control, standardization, finishing, packaging, and industrial design.

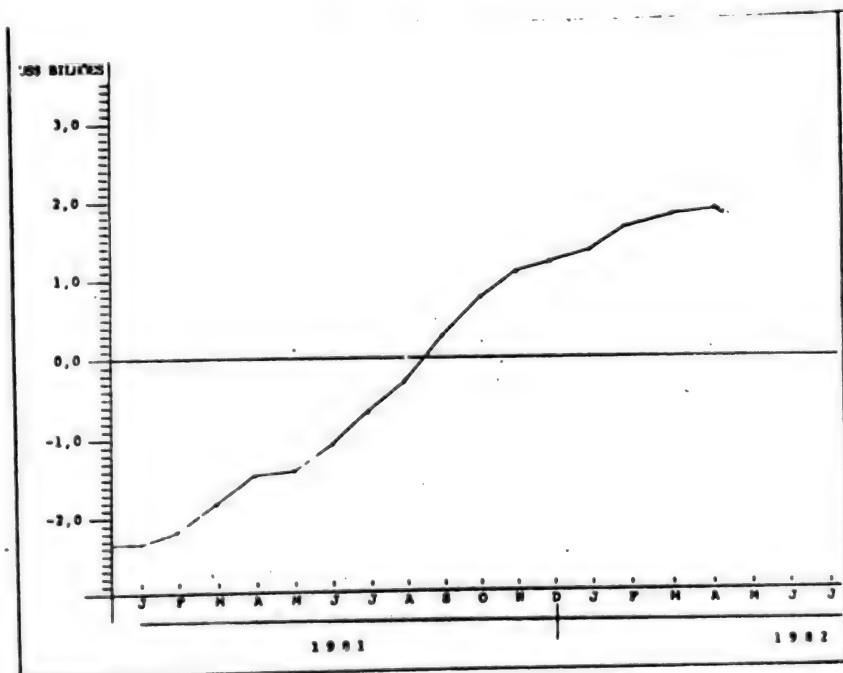
"Third, the merchant marine must be definitively integrated with an aggressive and well-structured export policy, without which it will not be possible to exploit a substantial portion of the new markets, where the competition with the other vendor nations is not so firmly established.

"Fourth, mechanisms must be established in conjunction with Brazil's entrepreneurs, in order that the latter may immediately establish a physical presence abroad by occupying space in commercial warehouses and free zones, by joining associations, and by taking other steps to create distribution networks in the import markets, especially in developing countries.

As an example of what he calls a form of "creative exporting" that is applicable in the case of Brazil, Benedito Moreira cites the formation of large-scale trade organizations in foreign countries--organizations which, he says, "are able to practice 'captive trade' methods which serve to create close ties with customers and their local interests." He concludes with a warning:

"To say that there is no foreign market, and that this is why exports have fallen off this year, is a fallacy pure and simple. Such a market does exist, although in recent years the nature of this market has changed--a change that requires an effort at adaptation on our part if we plan once again to record annual rates of growth in our foreign sales that are compatible with the demands of our national development."

Graph 1. Trade Balance: Evolution of the "Surplus" During the Past 12 Months (figures in billions of U.S. dollars)



10992

CSO: 3001/169

TELEBRAS OFFERS SITE FOR STRATEGIC ARMS DEVELOPMENT CENTER

Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Jun 82 p 18

[Text] Sao Paulo--TELEBRAS [Brazilian Telecommunications, Inc] yesterday placed at the disposal of the EMFA [Armed Forces General Staff] an area of 127,000 square meters adjoining its own research center in Campinas, to be used as the site of a strategic arms development center that will utilize the expertise acquired by Brazilian technicians in the fields of microelectronics, telecommunications and data processing.

The offer was made by Gen Jose de Alencastro e Silva, president of TELEBRAS, who emphasized that his technicians are working to produce "intelligent machines which are used in public telecommunications and can have military applications." The suggestion was made to the minister-chief of the EMFA, Gen Alacyr Werner, during a visit to the TELEBRAS research center in Campinas.

Optical Fibers

Among the achievements of TELEBRAS that could possibly be utilized by the armed forces, General Alencastro e Silva emphasized, was the use of optical fibers (a communications system employing laser beams), which could be coupled to the radar of guided missiles. Without optical fibers the missile loses its direction in the event the target moves, for there is no means of communication rapid enough to change the course of the missile.

The laser beam research could also be utilized by the armed forces, and the expertise in telecommunications could provide sufficient support to the Brazilian Air Force to make it possible even to plan a new SINDACTA (system of radar installations at Brazilian airports) that would have its own technology and secrecy.

General Werner emphasized the usefulness of an antenna developed by TELEBRAS to receive satellite transmissions. The existing antennas are 6 meters in diameter, but there are already plans to reduce them to 4.5 meters in diameter for use by the navy and the army.

The minister-chief of the EMFA deemed the offer of the president of TELEBRAS to be a "good idea," noting that a study has already been made at the Presidency of the Republic looking toward the formation of a permanent commission for

technological studies of interest to the three branches of the armed forces. General Werner explained that at the present time, technological achievements suitable for utilization by the three branches are decentralized, being located at research centers maintained by the individual branches. He said that the EMFA is seeking to coordinate the research with the aim of reducing the amount of effort expended.

According to the president of TELEBRAS, the idea of establishing a military research center in Campinas is based on the operation of the CNET [National Center for Telecommunications Studies] of France.

TELEBRAS advisers added that the idea of a military research center linked to the TELEBRAS research center is, in fact, the embryo of an idea of greater scope, namely, that all research be grouped within a single Ministry of Communications and Data Processing, which would also be responsible for the manufacture of strategic components.

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CSC: 3001/169

EXTENSIVE ORE DEPOSITS DISCOVERED IN AMAPA TERRITORY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 82 p 29

[Text] Rio de Janeiro--Minister of Mines and Energy Cesar Cals yesterday announced the discovery of a mineral-bearing geological province in Amapa Territory. He said that the presence of manganese, among other minerals, had been detected there. The precise extent of this province (which was discovered by technicians of the National Department of Mineral Production) will be determined by complementary studies which will begin today and be conducted by geologists who will accompany the minister to the site. According to reports received by Cals, the discovery site is in the region of Mapoeira on the lower Amazon near its junction with the Para.

Cals also disclosed that his ministry will continue its effort to intensify the gold and diamond mining projects in the nation, and to this end he recently requested that the Secretariat of Planning release an appropriation of 600 million cruzeiros.

On the other hand, the minister declared "unfounded" the report that PETROBRAS will begin to draw on its strategic stocks of petroleum as a means of compensating for the reduction in imports from Iraq. "In the present phase," he said, "when the market is clearly a buyer's market, it would make no sense for PETROBRAS to take such a step. As everyone knows, Brazil is making its choices as to where it will buy petroleum. Utilization of reserve stocks was resorted to by certain industrial nations some time ago with the aim of bringing petroleum prices down, but such a step would be unwarranted today."

Talking with newsmen yesterday afternoon during the ceremony held at the headquarters of the Rio Doce Valley Company to mark the issuance of the postage stamp commemorating the 40th anniversary of the company, Cals confirmed the existence of the debt owed by ELETROBRAS [Brazilian Electric Power Companies, Inc] to contractors and private suppliers, in the amount "of approximately 100 billion cruzeiros." He gave assurances, however, that payment of the debt "will begin in the near future," explaining that this was not done sooner only because the appropriations for ELETROBRAS "were not received until March, thus causing the delay."

Concerning the project for the construction of "minihydroelectric plants" to exploit small waterfalls, Cals noted that an agreement already signed with France will make it possible to begin construction shortly on six of the plants, all of them located in the states of Mato Grosso and Amazonas.

10992

CSO: 3001/169

INFLUENCE OF CHURCH ON OUTCOME OF NOVEMBER ELECTIONS DISCUSSED

Rio de Janeiro O GLOBO in Portuguese 27 Jun 82 pp 6-7

[Text] The church is nonpartisan. This was guaranteed by bishops surveyed by O GLOBO throughout Brazil, and their thinking is summed up in the statement of Cardinal Aloisio Lorscheider, archbishop of Fortaleza.

"Priests who openly support the government in the elections, like those who would have it believed that the opposition is the alternative to the church, are totally wrong," the cardinal declared.

The church is not apolitical, however. The episcopate, in all the states, directly or through its organizations, publishes primers and is engaged in educating the electorate "to create the conditions and provide the material so the people can see, judge and act," as Paulo Evaristo Arne, cardinal of Sao Paulo, said.

The great influence of the church among the voters should be exercised in the next elections through the Local Ecclesiastical Communities [CEB's]. There are now about 80,000 of them in the country, involving approximately 2.5 million people.

"The CEB's have already educated part of the electorate and I believe the next elections will be the great test for these communities. It will be very difficult to maintain their unity if their leaders are not very well balanced," declared Som Alberto Ramos, archbishop of Belem.

The gubernatorial candidates of all parties have no objection to--and even support--political education work by the church. The rare protests are provoked by isolated statements from members of the clergy both in favor of the government and of the opposition.

"The parties," said Dom Luciano Mendes de Almeida, secretary general of the CNBB (National Conference of Brazilian Bishops), "must organize their programs creatively and realistically, so as to insure popular participation, which is so necessary to a democracy. It is in this sense that the lay political education work is conducted in all the dioceses in the country."

CNBB Says Parties Must Insure Popular Participation

Brasilia (O GLOBO)--Dom Luciano Mendes de Almeida, secretary of the CNBB, said the church advocates party pluralism because it permits competition in the drafting of complementary programs for the common welfare. He observed that the church demands that the parties allow more popular participation, starting with the drafting of their programs, so the benefits will not be reserved for the elite and will increasingly be the fruit of cooperation among the groups involved.

He said that, in terms of participation, the attraction exercised today by the parties that are more open to the people is understandable. He noted, however, that this teaching should be intrinsic to all the parties in any democratic regime.

According to Dom Luciano, the political primers put out by the dioceses are meant to train the critical conscience of laymen, looking to the next elections, insuring their right to freedom of choice.

Dom Luciano said there is no foundation to the criticism that some of the published primers support particular parties, especially the PT [Workers Party].

"The insistence upon the principle of greater popular participation, which has appeared in several pamphlets, is simply an expression of the wish to move beyond politics restricted to personal interests and privileged sectors," he said.

He stressed that no one can be overlooked in the vision of the common good, and hence the coming elections have led church communities and circles to intensify the work of training the conscience of the citizen to assume his shared responsibility to take part in politics.

He observed that, although the church holds that each citizen is free to choose his candidate and his party, this does not mean that party programs should not be examined, where necessary, to see their values and shortcomings.

According to Dom Luciano, through its bishops, the church has repeatedly directed that the clergy should not involve themselves in partisan campaigns.

"The reason is clear; it is impossible for all the values to be concentrated in one party. Moreover, a single party, no matter how good, restricts that right to freedom of choice which characterizes a democratic regime, since there is always the risk that it will become totalitarian," he said.

However, he continued, the church insists on definite goals, leading effectively to the advance of the human individual.

"Thus, in recent years, [the church] is well known to have insisted on the right to create a family and to migrate freely, the right to honest information, rights which are basic to a democratic regime and to a society characterized by Christian principles," said Dom Luciano.

"In light of these goals, the parties must organize their programs with creativity and with conditions of feasibility, so as to insure popular participation, so essential to a democracy. It is in this sense that the work of politically educating the laity is being conducted in all the dioceses of the country," concluded Dom Luciano.

Rio de Janeiro: CEB's Divide Preference Among Several Candidates

In Rio, before Cardinal Dom Eugenio Salles issued the primer of guidelines for Catholics in the 15 November elections, he was careful to "hear out the grass-roots," the residents of 31 communities, from the Favela do Videgal to Morro da Pavurna and Estrada de Cachamorra, in Campo Grande.

"Therefore," according to the cardinal's advisors, "to date the movements constituted by Catholics in the capital have divided their preferences among the PT, PDT [Democratic Labor Party], PTB [Brazilian Labor Party], PDS [Social Democratic Party] and the PMDB [Party of the Brazilian Democratic Movement]."

Organization

The primer issued by Dom Eugenio Salles, "Aids for the Training of Civil Conscience," makes no reference to a political party. Community leaders of the 209 parishes in the archdiocese contributed to the text. The CEB's are divided into pastorates, i.e., of favelas, workers, prison inmates, domestic workers and bible groups.

The most active, in partisan terms, are those of the favelas, but to date none of their leaders has divulged which party his members favor.

Disagreement

Deputy Jorge Gama, who will run as a PMDB candidate for "vice" [Governor] on the ticket of Deputy Miro Teixeira, analyzed the relationship of the various popular movements within the church to the parties and concluded that, in Lower Fluminense, the PMDB is favored over the PT by the CEB members.

In Nova Iguaçu, where the CEB's are more active, Gama said that Dom Adriano Hipolito, bishop of the diocese, "does not take part in any political activity and does not even encourage the laity to affiliate with any party." According to the guideline in Dom Eugenio's booklet, "the choice of Catholic members of popular movements is spontaneous."

Gama's information contradicts that of Federal Deputy Darcylho Aires, of the PDS, who said that the "church in Lower Fluminense, particularly in Nova Iguaçu, encourages parties with a more progressive line than that of the successor to the MDB [Brazilian Democratic Movement]."

Another parliamentarian, however, deputy Joao Batista Lubanco, formerly with the PP [Popular Party] and now in the PMDB, declared that the conflicting situation in Nova Iguaçu (with over 1 million residents and about 300,000 voters) "is created by those who do not tolerate criticism of poor administration by a member of the government in the office of mayor."

Lubanco, who was also mayor of the municipio, said he always received "disinterested assistance from Dom Adriano Hipolito."

Dom Adriano said his diocese has no preferred party and that at this time it is necessary to promote a "democratic round robin," i.e., a dialogue with all the candidates. He has already received Miro Teixeira, PMDB candidate, and Sandra Cavalcante, candidate of the PTB.

Action

In other areas of the state the church is more removed from the activities of party organizations, with the exception of Duque de Caxias following the arrival of Bishop Mauro Morelli a year ago. There the PT is said to be ahead of the other parties.

Campos Municipio, seat of an important diocese, is also gaining strength in organizing popular movements as a result of the replacement of Bishop Antonio Castro Mayer by Dom Carlos Alberto Navarro, which was protested by many Catholics.

In the south of the state, the most important bishop is Dom Valdir Calheiros, bishop of Barra Mansa. The local movements in the region are very active, but, again, they have not united behind any one party.

The PMDB has had some success with the CEB's in Volta Redonda, but is no rival for the Workers Party. The PDS and the PTB are predominant in more conservative movements, notably women's movements. Also in Petropolis, seat of another important diocese, the movements have not yet adopted a uniform position on the parties.

Bahia: Dom Avilar Hopes Best Men Win

Salvador (O GLOBO)--No one expects the church to have any great influence on the coming elections in Bahia. The opinion is shared by various clerics and politicians of all the parties.

"The church will not have a weighty influence in the next elections," said Dom Avilar Brandao, primate of Brazil, "because it does not wish to exercise it. I do not see how the church can exercise any influence, first, because this is not its specific province and, second, because the church does not want this. What we want is for the best men to be elected, and we wish for a discerning political awareness so that the elected are men with a public vocation, capable of assuming their responsibility for the welfare of our communities. This is what we are lacking today."

Father Claudio Perani, coordinator of the CEAS [Center for Jesuit Studies and Action], admits that "despite the church's effort to educate its members, it is difficult to have any major swing to the opposition in the interior."

Some 20 years ago, when Waldir Pries ran as PSD candidate for governor of the state and received the support of the Communists, Dom Alvaro Augusto da Silva, archbishop of Salvador, advised the Catholic electorate not to vote for him. Pires lost the election to Lomanto Junior.

"In Bahia, as in the rest of the world, the church has changed a good deal in these 20 years and today, after Medellin and Puebla, it has adopted an option and an orientation that has much in common with the struggles and the positions of the Brazilian opposition," said Waldir Pires, now a PMDB candidate for the senate.

On the PDS side, where until recently there were fears about the influence of the church in the next elections, there is now tranquility, primarily because of the impartial stand of Cardinal Avilar Brandao.

"The priests," said Governor Antonio Carlos Magalhaes, "are very good people. I don't believe the church is partial to the PDS or to any party. Its mission is not partisan but pastoral. And a shepherd looks after all his sheep with the same loving care."

Espirito Santo: Clergy Divergent, Priest Says God Is On Side of the PDS

Vitoria (O GLOBO)--Although the church is playing a more active part in this year's elections, it is not very probable that it will be able to impose any uniform orientation in educating the electorate in Espirito Santo.

There are divergent trends among the clergy. In Victoria, under the leadership of Archbishop Dom Joao Batista da Mota e Albuquerque, the church has been working with the CEB's and has distributed a primer. "Bate-Papo on Politics," already in its third printing, encourages discussion of political topics, criticizing the system and the men who govern.

The positions are not those of all the clergy, however, and in many municipios the priests are campaigning for the PDS. For example, Father Alonso, of Baixo Guandu, attends rallies and declares publicly that "God is with the PDS."

Minas Gerais: CEB's For PT in Large Urban Centers

Belo Horizonte (O GLOBO)--The Minas Gerais episcopate's frequent declarations of neutrality with regard to party politics are partially contradicted by the positions taken by the CEB's, particularly in the more populous municipios.

Dom Benedito Ullhod Vieira, archbishop of Uberaba and president of Eastern Region II of the CNBB, declares, meanwhile, that the church will play an important role in the next elections because it believes in redemocratization and is "helping the people to prepare to vote."

In a primer issued recently, Dom Benedito warned that if a lay minister or member of the parish council or a CEB is a candidate in the elections or is a campaign leader for a particular candidate, he should automatically resign his post. If he does not do so, the parish should demand his resignation, to avoid any misinterpretation.

Brother Eduardo Bernadus Maria Metz, a parish priest in Betim and member of the coordinating group for over 6,000 CEB's in Minas, reinforced the opinion that

the church position is one of guiding the laity. He noted, however, that to the extent that "CEB members are beginning to have a critical conscience, they are launching their own candidates, laymen who have already affiliated with a party --the PT, in Betim's case."

"Of the 20 PT candidates for councilman in Contagem, 15 are CEB leaders," declared Durval Angelo de Andrade, coordinator of the CEB's in that municipio.

Senator Tancredo Neves, PMDB candidate, considers church activity "very important," and praises it for having worked more effectively in recent years to "educate its parishioners."

Former Minister Eliseu Resende, PDS candidate, said that "it is the tradition of the Catholic Church, in Brazil and in Minas Gerais, to maintain a balanced position with regard to political parties, at the same time conducting important work in educating the elector to understand the meaning of his vote."

Candidate Sandra Starling declared that the church "has a basic role in the decision of the elector, not in leading him to any political party, but in enabling him to choose clearly and calmly."

Pernambuco: Primers Criticize But Do Not Support Any Party

Recife (O GLOBO)--The church of Pernambuco has not taken any position with regard to party politics and, according to a source in the archdiocese, "if someone votes with the opposition, it will be on the basis of his own conclusions."

The church conducts its activity through primers, which are not lacking in criticism of the government and which describe the difficulties experienced by farmers, laborers, Indians and even primary school teachers.

Citing passages from the Puebla document, one primer states that "no political party, no matter how inspired by church doctrine, can presume to represent everyone, since its specific program cannot be of absolute value for everyone."

There are only two priests running for office in Pernambuco: Mansueto Lavor, of the PMDB, who is seeking a seat in the Federal Chamber, and Father Antonio Maio, PTB candidate for governor. Maio's candidacy is not looked upon with favor by Dom Helder Camara, archbishop of Olinda and Recife, who condemned Maio in a recent note.

Senator Marcos Freire, PMDB candidate, thinks that the church as an institution should not engage in party politics, "which is not to say that it should fold its hands in the face of the serious social distortions existing in the country."

Professor Roberto Magalhaes, PDS candidate for state governor, has condemned participation by priests and bishops in politics, because he feels the mission of the church is not "temporal," but "spiritual," which is why he disagrees with certain CNBB positions, such as those pertaining to urban and rural land.

Sergipe: Archbishop Stays Out of Politics

Aracaju (O GLOBO)--The influence exercised in Sergipe by the clergy and their organizations in the next elections will be the responsibility of Dom Jose Brandao de Castro, bishop of Propria. Dom Luciano Cabral Duarte, archbishop of Aracaju, has always preferred to remain apart from any political activity.

In the 14 municipios of the diocese of Propria, a region on the Lower San Francisco, with approximately 60,000 voters, Dom Jose Brandao de Castro is seeking, through monthly bulletins and the magazine A DEFESA, "to assist the citizen to educate himself politically."

A third bishop of Sergipe, Dom Jose Countinho Bezerra, bishop of Estancia, follows the line of the archbishop of Aracaju, but allows his secretary, Father Joaquim de Almeida, to chair the PDT in the state, as long as he does not mix religious and political activity.

Worker Marcelo Bomfim and Senator Gilvan Rocha, PT and PMDB candidates, respectively, for governor of the state, did not comment on the involvement of church organizations in their electoral campaigns. However, they feel the clergy have a basic role in politics.

Para: Decisive Role Without Party Preference

Belem (O GLOBO)--Although Dom Vicente Joaquim Zico, assistant archbishop of Belem, said the "church makes no pronouncements for or against any political party," the church in Para is sure to play an important role in the next elections, more important than in previous elections.

Senator Jarbas Passarinho, running for reelection with the PDS, and Oriel Carneiro, the party's candidate for governor, are not worried about the influence of church activity on their campaigns, but they had some criticism of the actions of the CEB's.

"I do not think, for example, that a CEB should back any political party. As soon as a CEB does this it loses the general connotation of the Catholic Church. But it happens, the pamphlets are there, and I denounced it in the senate with a pamphlet in hand," Passarinho declared.

The president of the senate added that the church has two wings, "one integrationist, which disavows Marxism in its entirety, and the other one progressive, which does not absolutely deny Marxism." Passarinho said that criticism of him comes from the latter wing, but he feels this is "natural," and says he is not the only one who merits this criticism; so do "several cardinals and bishops."

Canon Apio Campos, of the Archdiocese of Belem, assures that there are no such wings and that these are simply "labels given by individuals who are unclear about the role of the church."

"Everything pertaining to the CNBB, CPT [Labor Policy Council], CIMI [Native Missionary Council], etc, is viewed today in Para as something 'against the government.' Dom Alberto Ramos, metropolitan archbishop of Belem, does not sanction the behavior of some priests participating in street demonstrations, marches of suburban residents, public acts, etc. He is seen as the protector of the 'government side,'" said Apio.

The canon added that the CEB's were directed not to support any political party, because the church is "restricted to calling the attention of Catholics to the proper performance of their civic duties." He admitted, however, that "some individuals who are active in the CEB's" ignore the directive of the diocese and "are using primers from other states."

Dom Alberto Ramos, archbishop of Belem, said: "Earlier examples demonstrate that the people respect the presence of the church in religious matters but not when they are going to vote."

Despite his moderate position, however, the archbishop himself recognizes that in some regions, this church influence will be felt.

"The CEB's have already raised the conscience of part of the electorate and I believe the next elections will be the great trial by fire for these communities. It will be very difficult to maintain unity if their leaders do not maintain a good balance," said Dom Alberto.

Mato Grosso do Sul: Archbishop Gives Priority to Other Issues

Campo Grande (O GLOBO)--"There is no CNBB orientation regarding the political education of members of the faith. There is nothing." This is the position of Dom Antonio Barbosa, archbishop of Campo Grande, who feels Catholics "have much more important issues to debate than politics--the number of children, for example."

The archbishop's position is adopted almost throughout the clergy in Mato Grosso, who are primarily of the Salesian Order; they are much more concerned with spiritual teachings than immediate problems.

The CEB's have very little voice in the state, and the Pastoral Land Commission has achieved some importance only in such municipios as Gloria de Dourados, Maverai, Baitapora, Tres Lagoas, Anastacio and Novo Mundo, where there are land problems.

Brother Bernardo, of the parish of Nossa Senhora de Fatima, in Campo Grande, is one of the few priests in the capital who is attempting to work with the CEB's.

"There in the interior," he said, "political education is being conducted to the extent possible. We do not support parties; we do not say whom to vote for, but we try to work with the community to study the programs of each party, to create a critical awareness, so the working man can see who is actually interested in his situation."

Acre: Almost All PT Candidates Come From CEB's

Rio Branco (O GLOBO)--"In the 1982 elections, the church guideline in Acre and Purus, through the CEB's, has been to support the party whose program comes closest to the demands and current needs of the people of Acre."

The statement is that of Dom Moacyr Grecchi, bishop of Acre and Purus, who makes no secret of the fact that, among the current party programs, the one closest to the church position is that of the PT.

This orientation, voiced by the bishop and clergy to the leaders of over 1,000 CEB's scattered throughout the state, could have significant weight in the next elections. Candidates of the various parties other than the PT have sought to gain the sympathy of the CEB leaders, and recently Dom Moacyr's schedule has included frequent visits from politicians.

In his conversations with gubernatorial candidates of the PDS, PMDB and PTB, the bishop of Acre and Purus has said that "the church is nonpartisan," and that he and the priests "wish to maintain a certain distance and freedom with respect to specific party options." He holds that "the choice of party should rest with members of the CEB's, not the CEB's as such."

Aside from the similarity of programs, which Dom Moacyr does not hide, another factor links the church in Acre with the PT; the background of its candidates. Theologian Nilson Mourao, who is a former coordinator of the CEB's in the state, is the PT candidate for governor, and most of the party candidates came from the leadership of the CEB's.

Piaui: Priest Says Church Names No Names

Terezina (O GLOBO)--Italian-born Father Roberto Agostini is the leader of the Catholic community of Parque Piaui, one of the poorest districts in the capital, and of several other neighboring districts. He admits that the church has an influence of the political process, but vehemently rejects the idea that the church induces the voter to cast his ballot for a particular party or candidate.

"We do not seek to educate the people on the basis of faith. The church cannot be wedded to a party because it will always lose. Rather, it must arouse the church member to participate with justice and dignity in the society in which he lives," declared Father Roberto.

According to the priest, the church will exercise an influence on the electorate in the next elections in specific areas of Piaui, such as Esperantina, Campo Maior, Picos and Pimenteiras Municipios.

Mato Grosso: Dom Bonifacio Guarantees Neutral Stand

Cuiaba (O GLOBO)--Dom Aquino, first governor, increased the influence of the church on politics in Mato Grosso, but the political parties are not concerned about its influence on the results of the November elections.

Dom Bonifacio Picini, archbishop of Cuiaba, conveys this tranquility. He was involved in a debate with a wing of the PMDB after he condemned the candidacy of Father Raimundo Pombo for governor of the state on the PMDB ticket.

"If any politician says he is supported by a bishop or a priest, he is not telling the truth," said Dom Bonifacio, denying any church involvement with candidates or political parties.

He does not deny, however, that the church will have a notable influence on this year's elections, through the guidance offered by the CEB's in the eight dioceses that constitute the archdiocese of Cuiaba.

Dom Pedro Casaldaliga, bishop of Sao Felix de Araguaia, has already defined his party platform and ideology, but he is an exception in the Mato Grosso church. Even Father Pombo, PMDB candidate, says he does not have an ideological position, and the party sees him as a moderate oppositionist.

Jose Monteiro de Figueiredo, regional president of the PDS, feels the church will not have a decisive influence on the elections because both parties have sympathizers in the church.

Rondonia: Bishop Declares Church Supports No Party

Porto Velho (O GLOBO)--The church of Rondonia is not linked to any political party, according to Dom Geraldo Verdier, bishop of Guajara Marim, who added that the CEB's cannot support any candidate as a community.

"History teaches us that the CEB's are weakened by involvement in party politics," said the bishop of Guajara-Marim.

Dom Geraldo explained that every CEB member is free to choose his candidate, but he counseled that, to avoid confusion and ambiguity, anyone who wishes to make a formal party option and participate publicly in electoral campaigns "should have the sense to resign his church office."

Although Father Mansueto Dal Maso, coordinator of the CIMI in Rondonia, rules out the possibility of any partisan-political affiliation by the church in his state, he feels the church should "form alliances with all the movements, parties and associations that seek to improve the life and welfare of all men, Catholic or otherwise."

Goiias: Archdiocese Respects All Candidates

Goiania (O GLOBO)--Dom Fernando Gomes, archbishop of Goiania, said that "while the archdiocese respects all candidates, of any party, who are honestly committed to its program of truly promoting social justice, it has not and will not give public or private support to any party's electoral campaign."

The archdiocese of Goiania has been carrying out a broad program of contacts with the CEB's and distribution of pamphlets directed to the voter. One of

these has already been published: "The Path of the Church in History," and in the months ahead it is planned to distribute "Popular Organizations," "Politics and Parties" and "How To Vote in November."

Dom Fernando said that the function of the church is to insist on the "full education of men, and this obviously includes political education."

Dom Tomas Balderino, bishop of Goias Velho, has adopted a more aggressive position in the 18 municipios in his diocese, although he, too, does not support any specific party.

Maranhao: Bishop Ends PDS Restrictions

Sao Luis (O GLOBO)--Father Xavier de Maupeou, recently arrested with 70 families for trespassing on PROMORAR land, says that most priests and bishops in Maranhao will vote for the PDS, "although all of them can easily discern that they are faced with a society standing on its head."

Coordinator of the Pastoral Land Commission and of the CEB's in the state, Father Xavier does not hide his disenchantment with the political parties.

Despite his position, the parties look favorably on the work of political orientation promoted by the CEB's. Some of the former PDS restrictions on "involvement by members of the church in party politics" were removed last week by Dom Joao Jose da Motta, archbishop of Sao Luis, when he received Deputy Luiz Rocha, the party's candidate for governor of the state.

"The gentleman has shown himself to be a man who comes with the intention of serving the office, and not of being served by it," said the archbishop.

PMDB leaders in the state say that their party program is very similar to the views promoted in the primers of the CEB's. On the other hand, Reginaldo Teles, PDT gubernatorial candidate, has complained about the CEB's, who call his party "social-democrat inspired" in their pamphlets.

Paraiba: Candidates Find No Fault With Clerical Line

Joao Pessoa (O GLOBO)--The three candidates for governor of Paraiba find no fault with the political orientation of the church in the state. Wilson Braga (PDS) thinks the Popular Action Movement, which supports him, has more influence than the CEB's, while Antonio Mariz (PMDB) assures that the Church's political action "is above parties."

PT candidate Derly Pereira sees in his party's program "similarities with the position of the church," and says many members of his following take part in the CEB's. He notes, however, that this does not mean there are any ties between his party and the church.

"There is not the slightest connection," declares Father Fernando Abath, vicar general of the archdiocese. He now presides over daily training sessions in Joao Pessoa for leaders of the CEB's, on the theme "faith and politics."

Father Abath says the great concern of the CEB's is to keep politicians and parties out of the group meetings.

Alagoas: Dom Miguel Wants To Maintain Neutrality

Maceio (O GLOBO)--The great concern of the church has been to maintain neutrality with regard to the two parties--PDS and PMDB--competing in the November elections in Alagoas, according to Dom Miguel Fenelon Camera, archbishop of Maceio.

On the other hand, he does not deny the church's responsibility for the electorate, declaring that the clergy cannot be remiss, mainly in guiding the people in their choice of candidates, teaching them to identify the best, but without promoting any party labels.

In its effort to remain neutral, the church has received very little criticism of its work. The most frequent complaints have come from some members of the PDS regarding the publication of the political guidance primer by the CNBB.

Dom Miguel Fenelon denies any party stamp in the booklet, arguing that, with it, "the church only seeks to accompany the people on their path, enlightening and uniting them in the same goal of salvation."

Ceara: Activity Follows CNBB Documents

Fortaleza (O GLOBO)--In Ceara, the action of the church regarding the 10 November elections is expressed in the pontifical paper and those of the CNBB, and will not depart from them, according to Dom Aloisio Lorscheider, archbishop of Fortaleza. "The church should not and cannot involve itself in the government/opposition game. Priests who openly support the government campaign, like those who would have it believed that the opposition is the alternative to the church, are absolutely wrong and do not reflect the thinking of the church," the cardinal declared.

For the church in Ceara, the actions of the CEB's are not part of a partisan political system. The church wishes all the priests, the clergy, but above all the laity--everyone--to participate, to have a voice and a time to speak.

"It is clear that the CEB's are also going to assume an increasing role, their political responsibility, which seems very positive to me. But they assume this responsibility as CEB's, while individuals who are Christians and citizens are going to understand that their political responsibility is a responsibility of conscience. The work of the CEB's will awaken greater political awareness among the people that they are citizens and should do their political duty," said Dom Aloisio.

In the opinion of Luis Gonzaga de Fonseca Mota, PDS candidate for governor of Ceara, the church has always been active in the political area.

"The church acts in its province, within the pastoral spirit, providing guidance for Catholics but allowing them to decide on their candidate."

Senator Mauro Benevides, PMDB candidate, expressed his opinion: "The demands of the church are very similar to those of the PMDB: defense of the worker, better wages, better distribution of land. I think church doctrine is very close to what our party preaches."

Amazonas: Archbishop Says Primers are Unbiased

Manaus (O GLOBO)--In the opinion of Dom Milton Correa, archbishop of Manaus, the church of Amazonas should not have any great influence on the November elections, despite the primer entitled "Politics and Faith," already published, and others that are still being written, to be distributed before October.

"The church wants to help all the faithful to vote conscientiously and freely, to observe the action of those elected and to help the victorious candidates carry out their mission honestly and freely," says the archbishop.

Within this unbiased position, which to date has not been acknowledged by any of the candidates, the archdiocese of Manaus has promoted a meeting of the clergy and laity with gubernatorial and senatorial candidates of the four parties organized in the state: PDS, PMDB, PT and PTB.

According to Dom Milton, in this meeting the church can gather clearer information on the history of the parties in the region and the party programs that have emerged in the redemocratization process.

Rio Grande do Norte: Church Will Have Little Influence

Natal (O GLOBO)--Although for many years the church has taken an interest in educating the faithful, it will not play an important role in the next elections, in the opinion of Dom Nivaldo Monte, archbishop of Natal, and the three candidates for governor of the state.

"The people still have very little freedom of choice. We are aware that the way they choose should be changed. When we call attention to the mistakes of the government or the opposition, the purpose is to show the right path," Dom Nivaldo said.

Over 30 years ago the church began to organize its CEB's, but for the past 10 years it has been conducting more specific education work, through radio and pamphlets. For this reason, according to Dom Nivaldo, "the people are much more aware than before, and the man in the country is no longer easily 'taken in' by the politicians."

The archbishop of Natal assures that the church is nonpartisan and does not lean toward any side, opposition or government. He adds that "the church is a very powerful organization, and if a candidate is honest, the church will support him."

PDS candidate Jose Agripino Maia, former mayor of Natal, considered the role of the church very important in the quest for social balance.

"Priority to the poor, which must be the option of those who engage in public life with true public spirit, has been my goal," Agripino declared. "Reading the CEB primer, I see that what is preached there is consistent with my thinking and my conduct as mayor of Batal."

In the opinion of former governor Aloizio Alves, PMDB candidate, the Catholic church exercises the role appropriate to it: to defend the people from the pressures of the government, economic forces and the feeling of insecurity and fear that dominates the poor.

"The church only annoys those who want it to preach conservatism or ally itself with the powerful," says Rubens Lemos, PT candidate for governor of Rio Grande do Norte.

Santa Catarina: Bishops Urge Christians to be Involved

Florianopolis (O GLOBO)--"Many Christians still have a narrow and pessimistic view of politics as a dishonest activity. So they say: 'I don't want to know about politics.' They don't know that, in talking this way, they are taking a political stand, because by their refusal to become involved, they are assenting to an existing situation."

The passage is from the primer, "The Church, Politics and Faith," recently distributed by eight bishops of Santa Catarina, breaking a long silence on matters presumed to be "temporal." In the same document, the bishops state that "so-called political neutrality is not possible, not for the church as an organization and for the the people who belong to it."

According to Dom Jose Gomes, bishop of Chapeco, this position does not necessarily imply "taking a stand for a specific party."

Esperidiao Amin, of the PDS, Jaison Barreto, of the PMDB, Eurides Nescolato, of the PT, Ligia Doutel de Andrade, of the PDT, and Osmar Cunha, of the PTB, all say that this position of the church can only be beneficial to them, because, as they point out, the guidance offered "encourages political participation."

Parana: Regional Council Urges People to Participate

Curitiba (O GLOBO)--For the first time in the history of the church in Parana, the Regional Council of Bishops has approved a clear and united manifesto regarding an electoral campaign. Since December, in parishes throughout the state, it has been distributing a "Notebook on Political Education," urging Christians to participate in the electoral process and to discuss the matter in depth.

The primer was written by the Committee for Justice and Peace, with an initial distribution of 30,000 copies, but two more editions have already been printed. The primers are discussed by study groups and CEB's throughout the state.

"The people increasingly understand the connection between politics and evangelism. The basic purpose of the 'Notebook on Political Education' is to show that the transformation of society depends on each of us and that Christians have an obligation to take part in politics," said Dom Ladislau Biernaski, auxiliary bishop of Curitiba and one of the strongest promoters of political debate among Catholics.

The bishop said that the church urges people to maintain a critical attitude; hence they are no longer relying on mere words or promises.

PDS candidate Saul Raiz said the church would "neither add nor take away votes" from his party.

"The church is combating political insensitivity to social issues, and this is a basic item in my program of government," said Raiz.

PMDB candidate Jose Richa thinks his party benefits directly and indirectly from the church campaigns.

"Indirectly, because its stand in search of truth is consistent with the party line; directly, because the church has fostered the development of critical awareness and a capacity for popular organization," said Richa.

PT candidate Edesio Passos praised the conduct of the church in Parana in publishing its "Notebook on Political Education." "The church as an institution should not take part in politics, but it is making it clear that Catholics must take part," declared Passos.

Rio Grande do Sul: Bishop Assures That CEB's Only Educate

Porto Alegre (O GLOBO)--The church in Rio Grande do Sul and even some of its organizations, such as the CEB's, that engage in more direct work with the people do not favor any party. They only attempt to make Catholics more politically aware. This assurance came from Dom Claudio Colling, archbishop of Porto Alegre, and from Brother Antonio Cechin, a cleric who works with the CEB's in this capital.

Cachin said, however, that "based on the CEB's' analysis of the system, it is understandable that they will really bolster the opposition parties and not the government party." Dom Claudio warns that if any church organizations or members depart from the church line, which is simply to enlighten the voter without indicating any particular party, leaving him free to choose as he thinks best, those organs or members will be "acting on their own account" and cannot be considered to represent the thinking of the church.

Bishop Urbano Allgayer, coordinator of Southern Region 3 of the CNBB, reported that about 100,000 pamphlets have been distributed to church organizations in the states and said that "a good portion of the Rio Grande population will be affected by the discussions which the organizations are attempting to promote."

Among the candidates for governor of the state, the prevailing opinion is that, because of its work of educating the public, the church will not only have an influence on the elections but on the nation's political life as a whole. All the candidates: Deputy Jair Soares, of the PDS, Senator Pedro Simon, of the PMDB, Deputy Alceu Collares, of the PDT, Olivio Dutra, of the PT, and Jorge Krieger de Melo, of the PTB, consider this education work important necessary. However, the candidates do not have the necessary information to evaluate the extent to which the church work will benefit any particular party in the next elections. The most assured is Deputy Lair Soares, who thinks the "church is on the side of the PDS."

Sao Paulo: Dom Paulo Says Intent Is To Enable People To Judge

Sao Paulo (O GLOBO)--In the introduction to the booklet "Faith and Politics--People of God and Political Participation," which includes a text and 150 pictures, Cardinal Paulo Evaristo Arnes, archbishop of Sao Paulo, states that its purpose is "to create the conditions and provide the material for the people to be able to see, judge and act for themselves."

This has been the orientation of the church in Sao Paulo, although Dom Candido Padim, bishop of Bauru feels that accusations against the clergy of meddling in politics are tending to increase in this election year. He said that those who condemn the institution see "what is part of the essence of Catholicism--brotherhood and justice--as political meddling."

"In general," explained Dom Candido, "society has been accustomed to see the church almost exclusively in terms of its mission of celebrating the mass and exercising a certain spirituality. After Vatican II, Medellin and Puebla, the church itself recognized that it should maintain a visible and effective presence in the affairs of men, for the preservation of human values in each individual, which is not inconsistent with its religious mission."

The bishop of Bauru said that the only ones who do not understand this new posture of the church are those whose interests are tied to and who defend the present social structure.

Dom Luiz Calussi, Bishop of Luis, who was recently accused by mayors in the Uruburunga region of "preaching Marxism to the faithful," advocates that the church remain totally independent of political parties, because this is the only way it will have the "freedom to continually question those in power, whoever they may be."

Dom Luiz stressed that the distinction between the church and the political parties lies in its disinterestedness, which allows it to engage in political education. He denied accusations that the PT is being favored in this work of political clarification, but he observed that the enlightened have gone to the opposition, particularly to the PT.

"This is not to say," he added, "that we favor the PT in our work. When popular groups connected with the church align with the PT, it does not mean that we put the idea in their heads. Politicians cannot accept the fact that the people, once they have been enlightened, would choose a party other than theirs. This alignment is the thorn in the controversy."

Father Beni dos Santos, director of the Nossa Senhora de Assuncao Faculty of Theology, reiterates the political impartiality of the church. According to the father, no church pamphlet or document has favored any political party. In his understanding, what happens is that the CEB's are located in poor neighborhoods, primarily of blue collar workers, and "coincidentally, some of their members are also members of the PT." He notes, however, that "this choice of party has to do with the fact that they are workers, not that they are members of the CEB's."

Dom Angelico Sandalo, diocesan bishop of Eastern Region 2 of Sao Paulo, also denies political partisanship in the church. In his opinion, those who think this way "still take the position of those who mistakenly believe that the workers and the simple people on the fringes can still be led by the nose." Dom Angelico explained that the church is not concerned with influencing the results of the election, "but creating a political awareness in the people so they will be able to participate in the electoral process so as to have an influence on the future of the country."

Candidates Feel Church Should Not Have Influence

The four candidates for governor of Sao Paulo--Franco Montoro (PMDB), Janio Quadros (PTB), Reynaldo de Barros (PDS) and Luis Inacio da Silva, "Lula," (PT) --are agreed that the church should not specify parties or come out for candidates for elective office.

Of the four, only former Mayor Reynaldo de Barros has complained about "some radical priests who mention the PDS by name and advise their parishioners not to vote for its candidates." None of the candidates, however, feels he has been harmed by the activity the church has been conducting through the CEB's.

Janio Quadros, recalling his Catholic origins and his ties with the Marxist and Salesian fathers, declared that "no party can claim the support of the church because it is universal and has its seat in the Vatican."

Senator Franco Montoro, member of the Catholic Action and founding professor of the Pontifical Catholic University, emphasized the "important function of the church in educating the public about social problems that involve principles of justice and respect for the individual."

Although he complains about some radical priests, Reynaldo de Barros believes that "the church is acting in accordance with an unquestionable philosophy of concern for social affairs, distribution of income, wages and the quality of life of the people."

Lula denies allegations that the church is partial to the PT: "Anyone who permitted himself the luxury of studying all the pamphlets which the church has distributed in Brazil would conclude that the church has at no time favored the PT. The church simply instructs Christians how to choose a political party and a candidate and emphasizes that the criteria should be related to the concern that both [the party and the candidate] have shown for the people," said Lula.

POLL SHOWS MAKEUP OF ELECTORAL COLLEGE FAVORS OPPOSITION

Brasilia CORREIO BRAZILIENSE in Portuguese 11 Jul 82 p 5

[Text] Even under the terms of the latest government "package," the makeup of the Presidential Electoral College is likely to favor the opposition in its choice of a successor to President Joao Figueiredo if the presidential election is based on a confrontation between the PDS [Social Democratic Party] and all the opposition parties combined.

A poll was conducted by CORREIO BRAZILIENSE's political editors, and after examining voting tendencies in each state and the two territories as well as the situation created by the new system of representation for the state assemblies, their conclusion is that the opposition will have four more votes than the PDS in the future Electoral College.

According to those calculations, the electoral situation as it appears today indicates that for the purpose of choosing a presidential successor, the PDS will win in 10 states and the opposition in 8, leaving 5 states undecided because of equally divided forces. In the territory of Amapa, it is predicted that the PDS will win, but in Roraima the forces are equal.

In order to express the trends in figures, the undecided states and territory have been divided equally--half for the government and half for the opposition, even though representation for the assemblies cannot be divided, since the delegates will all be appointed by the winning party.

The data were obtained from the following assessment of the 23 states and 2 territories having political representation (the territory of Fernando de Noronha, having a very sparse population, is not represented), taking into account the larger Chamber of Deputies and state assemblies and the increase in the number of electors as ordered by the Supreme Electoral Court as a result of universal suffrage.

Sao Paulo

In the country's largest state--with 25,040,698 inhabitants and 11,965,763 registered voters--the most optimistic estimates by both the PDS and the opposition are that the PDS will not provide more than 30 percent of the representation in the Electoral College, even if the government party, in the face of all expectations, elects the governor.

This means that the PDS will be represented by 20 of the state's 60 federal deputies, no state deputies, and 1 senator, while the opposition will send 40 federal deputies, 6 state deputies, and 2 senators.

As a result of the amendment made to the constitution under the latest "package," the single paragraph under article 74 now reads: "Each state assembly will have six deputies (in the Electoral College) as appointed by each assembly's majority party from among its own members."

Minas Gerais

Traditionally a key state in Brazilian politics, Minas Gerais currently has 13,390,805 inhabitants and 6,050,126 voters. The electoral situation there currently shows a slight edge for the opposition, according to the trends observed in the public opinion polls and in statements by politicians on both sides.

The PDS is likely to get 26 of the future total of 54 federal deputies, no state deputies, and 1 senator, while the opposition may have 28 federal deputies, 6 state deputies, and 2 senators.

Rio de Janeiro

Rio de Janeiro is regarded as the most politicized state in Brazil. With its 11,297,327 inhabitants and 5,866,172 voters, this state's trend is clearly favorable to the opposition. The PDS may get 12 federal deputies, no state deputies, and 1 senator, while the opposition will get 34 federal deputies, 6 state deputies, and 2 senators.

Bahia

In this traditional stronghold for the government party, with its 9,474,263 inhabitants and 3,994,387 voters, the PDS is likely to almost reverse the situation noted in the three above-mentioned states, which are dominated almost completely by the opposition.

The PDS will probably get 24 federal deputies, 6 state deputies, and 3 senators, while the opposition will have 15 federal deputies, no state deputies, and no senators.

Rio Grande do Sul

This is one of the few states in Brazil where the multiparty system can be observed, since there is a relative equilibrium of forces among the PDS, the PMDB [Brazilian Democratic Movement Party], and the PDT. In Rio Grande do Sul, with 7,777,212 inhabitants and 3,712,011 voters, the opposition parties are becoming dominant again.

The PDS may get 10 federal deputies, no state deputies, and 1 senator, while the opposition parties together will have 22 federal deputies, 6 state deputies, and 2 senators.

Parana

In its survey, CORREIO BRAZILIENSE noted a rigid equilibrium of forces in this state, where the two-party system (PDS and PMDB) dominates. The state has 7,630,466 inhabitants and 3,649,395 voters. Since there is no clear majority in the state, the bloc was divided equally between the two parties, with the question of senators being left open. In calculating the final makeup of the college, the latter were combined with all the undecided seats and then divided 50-50.

As a result, it was predicted that the bloc of 34 federal deputies would be divided into 17 for the PDS and 17 for the PMDB, while the six representatives of the state assembly were divided into three for the PDS and three for the PMDB, with a question mark as far as the senators were concerned.

Pernambuco

In this most populous state in the Northeast (6,147,102 inhabitants and 2,215,617 voters), the opposition is also favored for the Electoral College. It is predicted that the PDS will have 10 of the 26 federal deputies, no state deputies, and 1 senator, while the opposition will have 16 federal deputies, 6 state deputies, and 2 senators.

Ceara

Ceara is another government stronghold (5,294,876 inhabitants and 2,049,089 voters). Here the PDS should elect 14 of the 22 federal deputies, 6 state deputies, and 3 senators. The opposition will be left with eight federal deputies, no state deputies, and no senators.

Maranhao

In this state, with its 4,002,599 inhabitants and 1,227,744 voters, the PDS will probably win its greatest proportionate victory by getting 13 of the 17 federal deputies, 6 state deputies, and 3 senators. The opposition will have to settle for four federal deputies, no state deputies, and no senators.

Goiias

With 3,865,482 inhabitants and 1,650,557 voters in this state, the opposition is likely to win the contest with 10 of the 16 federal deputies, 6 state deputies, and 2 senators, while the PDS will be left with 6 federal deputies, no state deputies, and 1 senator.

Santa Catarina

The PDS may be able to penetrate this opposition stronghold by getting 9 of the 16 federal deputies, 6 state deputies, and 2 senators, while the opposition may get 7 federal deputies, no state deputies, and 1 senator. The state currently has 3,628,751 inhabitants and 908,925 voters.

Para

This government stronghold, with 3,411,868 inhabitants and 1,222,788 voters, is undergoing a powerful siege by the opposition, which may elect 8 of the 15 federal deputies, 6 state deputies, and 1 senator, while the PDS will get 7 federal deputies, no state deputies, and 2 senators.

Paraiba

In this state, with 2,772,600 inhabitants and 1,119,810 voters, another slight leaning toward the PDS is noted. The PDS will probably elect 7 of the 12 federal deputies, all 6 state deputies, and 2 senators, leaving the opposition with 5 federal deputies, no state deputies, and 1 senator.

Piaui

This state, the second-largest voter stronghold for the PDS, has 2,140,066 inhabitants and 829,105 voters. The government supporters will get five of the nine federal deputies, all six state deputies, and two senators. The opposition will get four federal deputies, no state deputies, and one senator.

Espirito Santo

Espirito Santo, with 2,023,821 inhabitants and 827,974 voters, is likely to give another victory to the government, which will then have five of the nine federal deputies, six state deputies, and three senators. The opposition will be left with four federal deputies, no state deputies, and no senators.

Alagoas

Another impenetrable PDS stronghold, Alagoas has 1,987,581 inhabitants and 591,349 voters. It is likely to give the PDS five of the eight federal deputies, six state deputies, and three senators. The opposition will have only three federal deputies, no state deputies, and no senators.

Rio Grande do Norte

Despite substantial growth by the opposition, the PDS is also likely to win in this state, which has 1,899,720 inhabitants and 828,106 voters. The PDS will probably get five of the eight federal deputies, six state deputies, and no senators.

Amazonas

The PMDB has grown considerably in this state of 1,432,066 inhabitants and 455,064 voters and will probably win, getting five of the eight federal deputies, six state deputies, and two senators. The PDS will have three federal deputies, no state deputies, and one senator.

State	Federal deputies			State deputies		Senators	
	Opposition	Government	Total	Opposition	Government	Opposition	Government
(1) SP	40	20	60	6	.	2	1
(2) MG	28	26	54	6	.	2	1
(3) RJ	34	12	46	6	.	2	1
(4) BA	13	24	39	.	6	.	3
(5) RS	22	10	32	6	.	7	7
(6) PR	17	17	34	3	3	7	7
(7) PE	16	10	26	6	.	2	1
(8) CE	8	14	22	.	6	.	3
(9) MA	4	13	17	.	6	.	3
(10) GO	10	6	16	6	.	2	1
(11) SC	7	9	16	.	6	1	2
(12) PA	8	7	15	6	.	1	2
(13) PB	5	7	12	.	6	1	2
(14) PI	4	5	9	.	6	1	2
(15) ES	4	5	9	.	6	.	3
(16) AL	3	5	8	.	6	.	3
(17) RN	3	5	8	.	6	.	3
(18) AM	5	3	8	6	.	2	1
(19) MS	4	4	8	3	3	7	7
(20) SE	3	5	8	.	6	.	3
(21) MT	4	4	8	3	3	7	7
(22) AC	4	4	8	3	3	7	7
(23) RR	2	2	4	.	.	.	.
(24) AP	1	3	4	.	.	.	.
(25) COMPOSIÇÃO FINAL DO COLÉGIO ELEITORAL							
				(26) OPOSIÇÃO	(27) GOVERNO		
(28) Câmara Deputados				254	225		
(29) Senado Federal				25	44		
(30) As. Legislativas				66	72		
				345	341		

Key:

- | | | |
|----------------------|-------------------------|--|
| 1. Sao Paulo | 13. Paraiba | 25. Final composition of the Electoral College |
| 2. Minas Gerais | 14. Piaui | 26. Opposition |
| 3. Rio de Janeiro | 15. Espirito Santo | 27. Government |
| 4. Bahia | 16. Alagoas | 28. Chamber of Deputies |
| 5. Rio Grande do Sul | 17. Rio Grande do Norte | 29. Federal Senate |
| 6. Parana | 18. Amazonas | 30. Legislative Assemblies |
| 7. Pernambuco | 19. Mato Grosso do Sul | |
| 8. Ceara | 20. Sergipe | |
| 9. Maranhao | 21. Mato Grosso | |
| 10. Goias | 22. Acre | |
| 11. Santa Catarina | 23. Roraima | |
| 12. Para | 24. Amapa | |

[Note that the state of Rondonia has been omitted from the table.]

Mato Grosso do Sul

With 1,370,333 inhabitants and 618,761 voters, this is another state where an equilibrium of forces is noted. Here again, the election result is being divided 50-50: of the eight federal deputies, four will go to the opposition and four to the PDS, while the six state deputies will be divided three and three. The senate is a question mark.

Sergipe

Sergipe, with its 1,141,834 inhabitants and 403,991 voters, is another state where the PDS is absolutely dominant. The party will get five of the eight federal deputies, six state deputies, and all three senators. The opposition will have to settle for three federal deputies, no state deputies, and no senators.

Mato Grosso

This state, with its 1,141,661 inhabitants and 421,313 voters, is another unknown. Again, the forces are divided in half. The eight federal deputies will thus be four and four, and the state deputies will be three and three. Again a question mark as far as the senators are concerned.

Rondonia

The split experienced by the PDS in the Union's newest state (492,810 inhabitants and 155,690 voters) leaves us with another question mark as to who will be the winner. Because of the doubts, the delegation has been divided 50-50.

Acre

The forces are also balanced equally in this state, which is Brazil's smallest in terms of population (301,605 inhabitants and 102,762 voters). So there is again an equal division for the entire Electoral College bloc.

Territories

The territories of Amapa and Roraima, each represented in the Electoral College by only four federal deputies, will be represented as follows: Amapa: three PDS deputies and one from the opposition; and Roraima: two for the PDS and two for the opposition.

11798

CSO: 3001/196A

PROBLEMS IN U.S. FOREIGN POLICY DISCUSSED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Jul 82 p 8

[Editorial: "Problems and More Problems"]

[Text] The United States is changing secretaries of state at a particularly difficult moment in U.S. foreign policy. There is an ongoing war in the Middle East. In Europe, the rebellion against Washington's decision on a critical issue--the Siberian gas pipeline--has even included Great Britain, which until now has been the best example of "unconditional friendship" that the United States could boast of. On its own continent, the United States must try to stitch together what remains of the inter-American system following the Falklands War. As if all that were not enough, extremely important talks with the Soviets on the reduction of nuclear arsenals are beginning in Geneva.

The fact that the top man in charge of U.S. foreign policy should be abandoning his post at this real crossroads of problems is the best indication that after 18 months, the Reagan administration still does not have a foreign policy functioning at least in an acceptable manner. The fact that George P. Shultz was called in helps to complete the picture: Shultz is by no means an expert on the subject, although as former Secretary of the Treasury, he has broad international contacts. But he is regarded as an ideal person for times of crisis: he is balanced, capable of listening, and capable of "teamwork"--almost the reverse of the defects that Alexander Haig's enemies (within the government itself) used to like to draw attention to in the outgoing secretary.

It remains to be seen whether this "sleight of hand" will be enough to overcome what sometimes appears to be an organic defect in the Reagan administration. As is known, the President has no high regard for international affairs. In this as in other areas, he tends toward oversimplification, but he also does not like to delegate responsibility in matters concerning his country's foreign policy. Nor does he like to have "only one option to accept or reject." He likes to debate "all the options of interest" and then to "reach a decision based on the discussion in which I participated" (statements by Reagan to the American press).

The result is that after 4 years of "Carterian" indecision, the Reagan administration has meant 18 months of internal disagreements in diplomatic matters, the reason being that in the diplomatic area, the State Department's points

of view usually do not coincide with those of the Pentagon (since their perspectives are different). And the President's advisers may have even different opinions. The fault lies in the lack of a centralizing personality.

Shultz has the reputation of being a good conciliator. But in more than one sense, he is going to encounter what are in fact faits accomplis--an example being the crisis over the Siberian gas pipeline.

In the last phase of Ronald Reagan's election campaign--in which Shultz played a key role--Shultz himself, an unshakable defender of free trade, had expressed his opposition to rash diplomacy "that uses foreign trade as a tactical weapon for diplomats" and to "the (government's) belief that U.S. private enterprise can be turned on or off like a switch to produce changes in the domestic or foreign policy of governments that accept U.S. private enterprise." Shultz added: "The position of American goods on the world market is being eroded because our trading partners are seeing increasing proof that we cannot be viewed as reliable suppliers."

Shultz--who as Secretary of the Treasury gave the decisive push to increased U.S. trade with the USSR--is entering the field at the exact moment when President Reagan is flipping the switch with a surprising but characteristic lack of restraint.

U.S.-Soviet trade is progressing favorably in some sectors: the United States is trying, for example, to step up its grain sales to the USSR as much as possible.

Europe, on the other hand, has been confronted with the opposite policy on the sensitive issue of the Siberian gas line. Reagan wants to ban sales of equipment to the Soviets by foreign subsidiaries of U.S. companies and sales of equipment produced abroad under license from American firms. This affects not only the Siberian gas line but also the Japanese-Soviet petroleum project off Sakhalin Island. Reagan's argument is that the pipeline would allow Moscow to engage in "a kind of blackmail" against the Europeans by threatening to cut off their energy supplies and that it would also enable the Soviets, who are "in financial and economic difficulty," to sell gas for \$10 billion or \$12 billion in cash annually, "which, I suppose," says the President, "would be used to purchase more arms."

Europe has not been receptive to those arguments. THE ECONOMIST fulminated: "There is a dividing line between legitimate U.S. opposition to the project and illegitimate U.S. interference in the sovereignty of allied governments. President Reagan has stepped over that line."

Reagan's decision does indeed amount to an attempt to enforce U.S. laws outside the country. In the eyes of the Europeans, it has become even more impertinent in view of a recent decision by the Supreme Court in Washington with regard to a Japanese company, Sumitomo Shoji. In the Supreme Court's opinion, not even a bilateral trade agreement (in this case, between Japan and the United States) can exempt American subsidiaries of a foreign company from obeying U.S. federal laws on civil rights.

In other words, American subsidiaries of foreign companies are subject to U.S. laws. But Reagan's decision on the gas pipeline follows the opposite principle: European subsidiaries of U.S. firms can be made part of the strategy of U.S. foreign policy.

Reagan's decision has another offensive aspect as far as the Europeans are concerned: it attempts to be retroactive by blocking sales to the USSR that were perfectly legal when the contracts were signed. It is not surprising that ever-faithful Great Britain, represented by its prime minister, has called the decision unacceptable and been seconded in that opinion by Japan, Italy, and the FRG.

That is the scenario in which the new Secretary of State will take office--the same man who, in 1979, was upholding very different positions. The situation is all the more disturbing at a time when discussions of tremendous political importance have begun in Geneva between the United States and the USSR concerning strategic arms limitations. How can President Reagan negotiate with the Soviets without knowing how solid the Western alliance is? The strategic problem is altered completely, depending on whether the alliance is more or less solid. But the White House not only appears unmindful of that solidity: it is also striking a splendid chord for the Soviet Union to harp on in its work of widening the cracks that have appeared in NATO.

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AEB CHAIRMAN: YEAR END TRADE DEFICIT OF \$1.7 BILLION

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Jul 82 p 18

[Text] Sao Paulo--The chairman of the AEB (Brazilian Exporters Association), Laerte Setubal Filho, acknowledged yesterday that if commodity prices continue at their current level, Brazil may end the year with a deficit of \$1.7 billion in its trade balance and exports of only \$21 billion. The government's goal at the start of the year was \$26 billion in exports. That figure is now down to \$22 billion, but Minister Delfim Neto is still predicting a trade balance surplus of at least \$2 billion.

Laerte Setubal complained that the countries in the European Economic Community have already spent \$2 billion to subsidize the price of sugar produced by them, and their price remains at \$270 per ton, thus harming exports of the Brazilian product, which costs \$600 a ton.

The AEP chairman announced the results of a study carried out by his organization. After consulting Brazilian exporters, the organization concluded that if international commodity prices improve, Brazil's exports this year may reach as much as \$24 billion.

Broad Study

One commodity that will indeed show an increase in the value of exports is coffee, which will rise from \$1.76 billion last year to \$2.35 billion this year, according to the AEB's forecast. On the other hand, soybeans will drop from \$3.19 billion in 1981 to \$2.22 billion in 1982. Sugar will show the largest drop, falling from \$1.13 billion last year to \$650 million this year. Cocoa will drop from \$594 million to \$530 million, and iron ore will drop from \$1.736 billion in 1981 to \$1.45 billion in 1982.

Laerte Setubal believes that international commodity prices may improve during the second half of this year and that weather problems in producing countries may contribute to that recovery.

The AEB's list in the document entitled "Prospects for Brazilian Exports: 1982" is as follows:

Prospects for Brazilian Exports: 1982
(value in millions of dollars)

Item	1981	Estimate 1982
1. Coffee	1,760	2,350
Beans	1,517	2,100
Soluble	243	250
2. Soybeans	3,190	2,220
Bulk	404	180
Meal	2,136	1,600
Oil	650	440
3. Sugar	1,130	650
Demerara	578	340
Crystal	86	50
Refined	398	220
Molasses	68	40
4. Cocoa	594	530
Beans	242	210
Butter	145	120
Refined paste	195	185
Other	12	15
5. Iron ore	1,736	1,450
6. Tobacco	356	470
7. Meat	810	970
Beef	123	140
Processed beef	293	380
Poultry	355	410
Horse	39	40
8. Chemical products	499	600
9. Iron and steel	1,123	1,110
10. Textiles and textile products	621	1,000
11. Wood	346	450
12. Footwear	585	500
13. Juice	695	700
14. Transportation equipment	2,066	2,510
15. Boilers and machinery	1,546	1,600
16. Electrical machinery and apparatus	566	600
17. Paper and cellulose	626	650
18. Other basic products	1,320	1,350
19. Other processed products	3,341	3,900
20. Total (basic products)	8,874	8,330
21. Total (processed products)	14,036	15,370
22. On-board consumption, reexport, and special transactions	383	400
23. Grand total	23,293	24,000

Source: CACEX [Foreign Trade Department] (1981) and AEB (1982).

NAVY TO USE FRG TECHNOLOGY TO BUILD SUBMARINE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jul 82 p 6

[Excerpt] Adm Maximiano da Fonseca, minister of navy, confirmed yesterday during a visit to the Ribeirao Preto area that his ministry intends to begin the construction of a submarine next year using Brazilian raw materials and manpower and West German technology. That will be the first stage in the navy's reequipment program, which also calls for the construction of four corvettes and one training ship--the latter already under construction.

The search for reduction gears and turbines was the reason for the minister's visit, in the company of technicians, to the AKZ Turbines and Renk Zanini firms in Cravinhos and to the Zanini firm in Sertaozinho, all of which are members of the Zanini Group. The factories produce steam turbines for the cane industry. Maximiano da Fonseca suggested that Zanini also produce gas turbines for the naval reequipment program, and he said that the three firms have prequalified as candidates for supplying equipment for the training ship. According to the minister, the intention is to stimulate production within the country of equipment needed by the navy.

South Atlantic

Later, in Brasilia, the minister said that the war between Great Britain and Argentina had no influence on the reequipment plan being implemented by his ministry. In his opinion, the conflict has simply shown that like the Brazilian Air Force, the navy is not equipped to guarantee the security of the national territory. The problem, he added, "is that the country does not have the billions of cruzeiros needed to procure that equipment." Maximiano emphasized that the possible purchase of missiles such as the Sea Skua, of British origin, has been under study and negotiation for some time--since before the Falklands War. He stressed that the matter has not yet been decided. The minister also said that the navy will go to Antarctica to conduct research, but without making any territorial claims.

11798

CSO: 3001/196A

ORE EXPORTS YIELD \$746 MILLION IN FIRST FOUR MONTHS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jul 82 p 47

[Text] Brasilia--In the first 4 months of this year, according to a report yesterday by the DNPM (National Department of Mineral Production), Brazil exported 30,064,781 tons of primary ores valued at \$746,527,661, for a monthly average of 7,516,195.2 tons. The DNPM explained that this represented a drop of 165,654 tons in terms of the monthly average for 1981 (7,681,849.2 tons). For all of last year, Brazil exported 92,182,191 tons of ore at a value of \$2,257,365,558.

According to the DNPM, primary metallic ores head the list of exports for the first 4 months of this year at 29,751,927 tons at a value of \$655,224,213, of which \$601,719,050 represents 28,468,658 tons of iron. In second place are mineral fuels (petroleum, coal, and gas) at 209,331 tons (\$58,510,429). In third place are nonmetallic ores at 103,015 tons (\$14,483,199), while gems and diamonds are in last place at 508 tons (\$18,309,820). Gem exports totaled 471 tons (\$17,925,545), and diamond exports came to 37 tons (\$384,275).

Petroleum heads the list of mineral fuel exports at \$54,523,089 (199,040 tons), followed by gas at \$3,635,293 and coal at \$352,047. The DNPM explained that the petroleum exported is of lower quality than that imported. For all of last year, 606,664 tons of petroleum were exported (\$178,291,335), while 42,209,325 tons (\$10,603,996,349) were imported.

Uranium was dropped from the list of mineral fuel exports this year. In the first few months of last year, 240 tons of that ore were exported (\$13,227,600). According to the DNPM, the Brazilian Government has decided to stockpile the nation's uranium production for future use in the nuclear power plants or for export in a completely or partially enriched form after the complete fuel cycle being set up in the country by the FRG is at Brazil's disposal.

On the list of exports of primary metallic ores, bauxite is in second place immediately behind iron, with 996,468 tons being exported during the first 4 months of the year at \$28,954,973. In third place is manganese at 285,594 tons for a total of \$15,156,078. Brazil exports 10 kinds of metallic ore.

The country also exports over 30 kinds of primary nonmetallic minerals--all in small quantities, as can be seen from the DNPM's figures on exports for the

first 4 months of this year: kaolin takes first place with only 25,505 tons (\$2,312,036), followed by magnesite at 18,277 tons (\$4,443,603) and granite at 14,760 tons (\$2,096,531).

Experts at the DNPM were careful to point out that for last year, the trade balance on primary ores showed a surplus of over \$1 billion, not counting the imports and exports of mineral fuels, in which petroleum alone accounted for \$10,603,996,349.

11798

CSO: 3001/196A

MAY INDUSTRIAL PRODUCTION SHOWS SIGNS OF RECOVERY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jul 82 p 19

[Text] Industrial production once more showed signs of a slight recovery in May but the monthly indicator of the Brazilian Institute of Geography and Statistics (IBGE) for a period of 12 months (June 81 to May this year) continues to register a decline of 10.3 percent, according to a report by the president of the agency, Jesse Montello, before his talk yesterday at the Rio de Janeiro State Industry Federation (FIRJAN).

The IBGE president pointed out the comparison between the January to May period this year and that of January to May last year, emphasizing that the decline in industrial production was 4.9 percent compared to a decline of 6.5 percent in the January to April period.

"Figures show," in the opinion of Montello, "that industry is showing signs of a slow recovery."

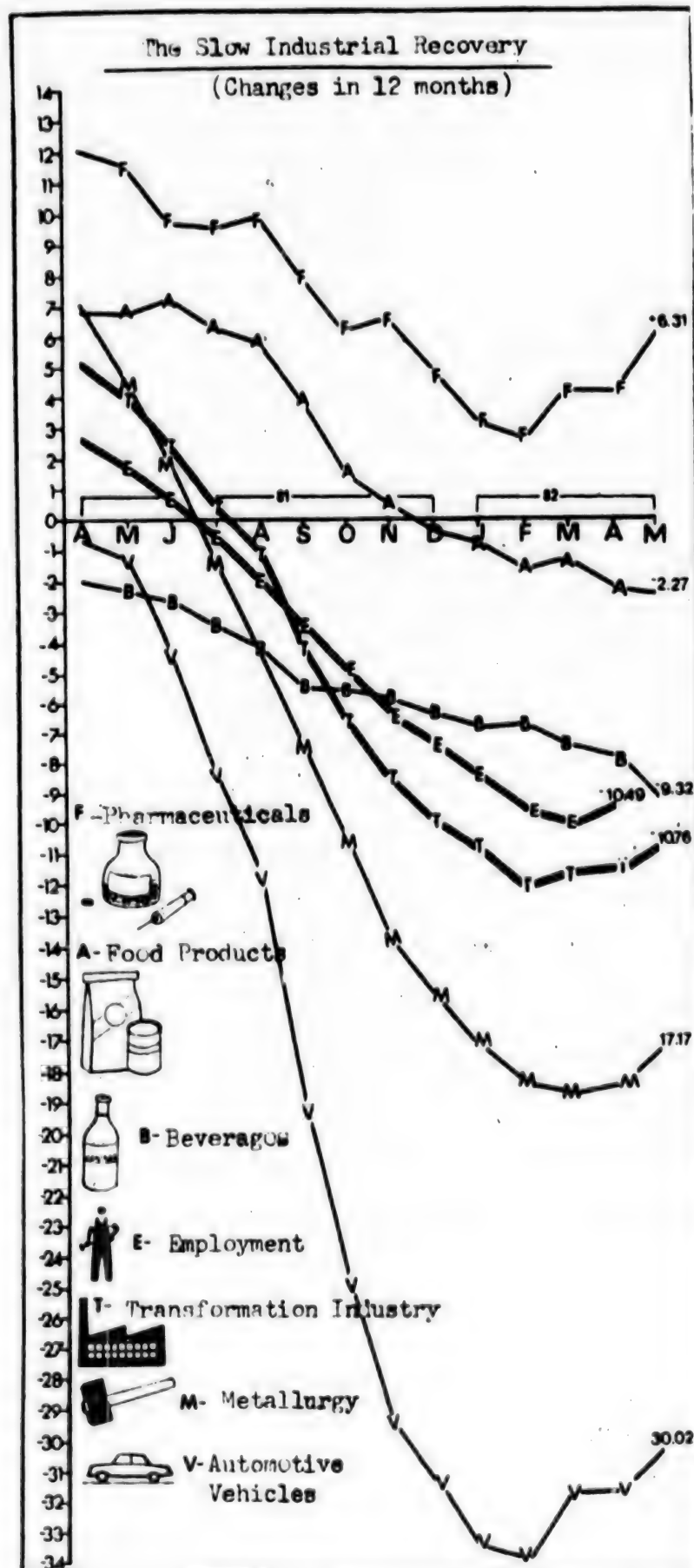
The comparison in production of the past 12 months up to May with that of the 12 preceding months, however, a period covering 24 months, including 1980 (with a growth of 7.8 percent), indicates that the recovery is still very rudimentary.

Jesse Montello said that comparison with last year "undeniably a very poor year," is inevitable since it is necessary to make a comparison with something.

Industrial Employment Declined

The IBGE president also revealed April indicators on employment levels in industry. Overall during the 12 months, which means comparing the level of employment in industry between May 81 and April 82 with the previous period, the decline in the level of employment is accentuated, going from 10.08 percent to 10.44 percent (both negative). Comparison between the period between January and April of this year and the same 4-month period last year reveals there was a slight improvement, since the decline in employment level decreased from 11.44 percent to 10.62 percent.

Figures on energy use also showed similar results. From January to April the consumption of energy declined 3.09 percent, but improved by comparison with the period January-March, whose decline was 4.99 percent.



Industrial production increased only in the pharmaceutical, footwear and clothing sectors

Industrial Sectors

The transformation industry showed a decline of 10.76 percent in the past 12 months up to May, registering an indicator slightly under that of the previous 12 months, which reached 11.6 percent. The mineral extractive sector had an increase of 4.36 percent, making the same comparison, being slightly under than that of the same previous period (5.06 percent).

The metallurgical industry had a decline of 17.17 percent in the comparison of the past 12 months with the preceding 12 months; automotive vehicles, 30.02 percent; food products, 2.75 percent; and beverages, 9.32 percent. Only the pharmaceutical, clothing, footwear and textile articles industries recorded a growth in production: the former, 6.31 percent and the latter, .28 percent.

However, if the comparison were made with the same period last year, when industrial production showed a significant decline, the recovery is extended to other sectors including the pharmaceutical (10.94 percent), paper and cardboard (1.99 percent), petroleum byproducts (1.05 percent), plastic material products (3.25 percent), textiles (.41 percent) and clothing, footwear and textile articles (4.79 percent).

8908

CSO: 3001/202

RENEGOTIATION OF FOREIGN DEBT SUGGESTED BY FORMER MINISTER

Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jul 82 p 22

[Text] Rio--"The greatest peril threatening us at this time is that of subordinating industrial policy to the problems of the balance of payments. No matter how serious they may be, those problems are circumstantial and therefore should not determine the future of the country," warned former Minister of Planning Celso Furtado yesterday, who believes the first step the government should take to recover control of the economy is the renegotiation of the foreign debt.

Returning to the site of the CNI (National Confederation of Industries), exactly 20 years after he was there "to present the 3-year plan in a great debate" (in the Goulart Government), Furtado recognized in the upswing in inflation in June and the decline in exports "a clear indication that the government lost on the two fronts which it had selected as priority areas." He does not "realistically" expect changes in economic policy before the elections but believes that after them the government will have to seek "a strategy for recovering control of the economic system."

He said: "No one is so naive as to believe that Brazil is going to pay its enormous foreign debt with the meager results of the trade balance obtained at the expense of economic stagnation. However, the danger must not be ignored that in the search for that mirage there will be a forced recycling of the industrial sector, placing everything at the service of an increase in the ability to export. That recycling would require that technological advance and capitalization be preferably oriented to the strengthening of the muscles of the few industries with the capabilities for winning new foreign markets. The creation of employment per unit of investment would necessarily have to decrease technical diversity, which would result in a detriment to the social development of the country."

Immobilization

He continued: "What I am saying could appear to have no relationship with the present situation in which the decision-making system is practically immobilized, concerned only with what is topical and immediate. Indeed, there are two types of problems. In the first place are those which have to do with recovering control of the situation; however, then come the problems related to future orientation of development, particularly in the industrial area.

"We are going to accept that a sufficiently determined government confront the present situation, beginning with the problem of the foreign debt, which at this time paralyzes the authorities, and that such government manage, with intelligence, to negotiate a refinancing and rescaling of the country's foreign debits, obtaining a period of no repayments so as to put the house in order.

"The risks of exchange in all loans would be assumed by the Central Bank, the government recovering the capability for maneuvering in the exchange sector. The present subsidies on which the exporting sector is based could be eliminated by means of assured compensations in the form of suitable modifications in the rates of exchange. The system of relative prices would be readjusted to allow for absorbing the impact of increases in prices of imported capital goods. Conditions would thus be created for the breaking of the linkage between domestic rates of interest and those which prevail on the international markets, and for the introduction of a tax reform which would allow an improvement in treasury accounts and eliminate the blatant injustices of the present.

"Recovery by the government of control of traditional instruments of economic policy accomplished, it would be well to ask: What orientation should be given to industrial development? That orientation will dictate the type of society which would exist in the country, because on that development depends the increase in technical level of agriculture, the increase in yields of those who work as tenant farmers, and, therefore, a rise in the standard of living of the majority of the population.

"The orientation given to the process of industrialization," continued Furtado, "will dictate the rate of expansion of the domestic market and the type of demand within it. Foreign competitiveness should continue to be based on comparative advantages, when the base of natural resources is favorable, and in manufacturing activities purposely selected for that purpose, unless it is a matter of situations particularly favored by circumstances."

Loss of Time

In the debate with industrialists and economists of the CNI--without the presence of the press--"There were greater areas of agreement than of disagreement," according to a statement by one of the participants, economist Julien Chacel, president of the Getulio Vargas Foundation Institute of Economy. Many businessmen praised the clarity and brilliance of the speech but the vice president of the CNI, Paulo Vellinho, lamented the lack of time for a greater in-depth discussion of the subjects and expressed his disagreement with respect to the treatment proposed for the problem of indebtedness and technology.

In a subsequent interview--Furtado arrived before 1000, lunched, and only left the CNI after 16000, always very much sought out by newsmen--he said he believed that the moment for the renegotiation has already been lost," a well-made negotiation. By the end of the year the country risks seeing its foreign credits decline to a critical point and the government is then going to be forced to negotiate under the worst conditions, having to accept Draconian impositions from the financial community."

He said that in Brazil the question of renegotiation is surrounded by "great mystery" as if it would irremediably jeopardize the honor of the country. He recalled, against that type of argument, that last year no fewer than eight countries renegotiated their debts, one of them, Costa Rica, declaring a unilateral moratorium, managing, even so, to maintain its line of trade financing open. This year, no fewer than 20 will halt payments of interest.

Furtado believes it is not possible to retake control of economic policy with a deficit in current accounts of the size Brazil has, deficit caused by financial charges. He believes, however, that Brazil does not need to resort to a moratorium because it "has great strength" for negotiations with the financial community. For this, it would be necessary to begin with a political decision to really negotiate with degrees of flexibility for making concessions, but knowing beforehand whether there would be a willingness, for example, to arrive at a moratorium.

The path to renegotiation, in his opinion, begins with the Club of Paris, the forum where bank credits granted with the backing of governments are granted. Although loans of that type make up at least 15 percent of the total Brazilian debt, "this strategy of beginning with them is important because what the governments decide is followed by the bankers, as is demonstrated by the case of Poland." Celso Furtado basically attributed Brazilian inflation to subsidies, the result of government lack of control by starting great projects without a suitable financial plan.

8908

CSO: 3001/202

POLITICAL SCIENTIST BELIEVES NEW PARTIES INEVITABLE

Rio de Janeiro O GLOBO in Portuguese 29 Jun 82 p 2

[Text] Brasilia (O GLOBO)--the PMDB [Brazilian Democratic Party] is the party which will lose the most members in the party reform that will take place after the elections. The PDS [Social Democratic Party] may face serious problems and some losses of politicians in the states in which it loses elections. The PTB [Brazilian Labor Party] is a "skin deep" opposition party and the PDT [Democratic Workers Party] is "clearly oppositionist," but both parties have an uncertain future. The PT [Workers Party] is not dominated by any radical ideological party and in the long run it will consolidate as a defender of democratic socialism.

These are the opinions of Professor Maria Victoria Benevides on party reform, which according to her, "will happen inevitably after the November elections." The sociologist, political scientist and author of three acclaimed books on moments in Brazilian political life, was at the offices of O GLOBO yesterday morning, teaching a class on "Brazilian Political Parties," within the system of the open university of the UNB.

PSD and UDN [Social Democrat Party and National Democratic Union]

Professor Maria Victoria, author of the book "The UDN and its Policies," believes, contrary to the opinion of many Minas Gerais politicians, that the PSD and the UDN are not through after the PDS convention in Minas. In the opinion of the writer, what took place was a strengthening of the "PDS faction of Tancredo Neves," primarily because of the divisions of the government PDS and the defeat of UDN leader Magalhaes Pinto.

"The roots of the PDS and UDN in Minas are still very strong, proof of this is the fact that at a municipal level the party leaders addressed those attending the convention still using the questions and slogans of the PDS and UDN," she said.

Professor Maria Victoria believes that proof that the old parties are still alive is that the attempt to unite them in the PP failed "as all previous attempts to place them in the same party will fail."

Center

In the opinion of the professor, there is a great and promising political space in the country to be occupied by a party of the center. She believes that inevitably a party of this type will be organized and as possible leaders she names Tancredo Neves, Olavo Setubal, Severo Gomes "and even Franco Montoro." This party, a direct heir to the PP [Popular Party] and probably with a name appropriate to its tendencies, "Liberal Party" for example, will not "necessarily have to be an auxiliary of the government." It would be basically made up of people from the PMDB but would also attract politicians from the PDS.

The sociologist does not believe that a Christian Democratic Party has a chance to form and grow in the country, primarily because there is no political space and it could not count on the support of the Church.

"The PDC [Christian Democratic Party] in Brazil always was an auxiliary line of the most reactionary part of the UDN and therefore, would be in a much more conservative position than the Church," says Professor Victoria.

She believes that it is unlikely the Church will tend to participate directly in the Brazilian political-party picture and recalls that the PDC, unlike what happened in other Latin American countries, was never a strong party in Brazil.

The PDS and the Opposition Parties

The PDS, in the opinion of Professor Maria Victoria, will be "half lost" in the states in which it loses the elections "because it was always in favor of the government and many of its politicians would only function that way." She believes, however, that the party is consolidating itself, primarily because "it will be the direct heir of the opening of President Figueiredo and will benefit politically from what the government does." She does not see many "competent personnel" in the PDS but believes it is necessary they appear so that the Brazilian political debate may be strengthened.

"The PMDB will crystallize as a reformist party. It will defend the workers with its program but it will not be a workers' party. It will always value legislative actions more than the PT, whose main objective is the organization of the workers," declared the professor.

She believes the PT is not now, or will ever be, a class party, but it is not a front either as the PMDB is.

"Its various factions do not have divergent interests," says the professor, who believes the PT is a party with long range prospects for growth.

After the elections, the opposition parties should advocate the legalization of the Communist Party rather than that of the Brazilian Communist Party. Maria Victoria advocates the theory that legalization does not yet interest the party, First of all, because the National Security Law still remains and second, because "there is a deterioration of communist parties throughout the world." The PCB would also have to assume positions on such delicate questions as the "Polish situation," for example.

"Unlike what the PMDB says, party division does not weaken the opposition because the country no longer is undergoing a plebescitary time," declares Maria Victoria. Divisions, even if they reduce the number of members of the PMDB, will strengthen the multiparty system "and, therefore, the cause of democracy." At the level of Congressional activities, "the trend is still the creation of legislative alliances."

Constituent Assemblies

In the opinion of the sociologist, it would be important within the process of Brazilian institutional improvement to convoke a constituent assembly. However, she sees little chance the government will accept a free constituent assembly with the representation of all Brazilian political factions.

"What could happen is a constitutional reform to be made by the Congress to be elected in November. However, if that were to happen, it would be a blow, a regression in the opening," says Maria Victoria, and she explains:

"The new Congress will still be characterized by the imperfections of the regime we have all undergone these past years and the electoral reasoning of the government will make the picture even more artificial."

Maria Victoria Benevides concluded some research this year on urban violence and for next year she already has a project outlined: The writing of a book on the PTB and the labor movement in Brazil. She is director of the Contemporary Studies Center (CEDEC) of Sao Paulo and she wrote, in addition to the book on the UDN, which was her doctor's thesis, a book on the Juscelino Kubitschek administration, and a lesser book on the Janio Quadros Administration.

8908

CSO: 3001/202

FORMER GOVERNOR ADVOCATES MORE CONCISE CONSTITUTION

Rio de Janeiro O GLOBO in Portuguese 4 Jul 82 p 5

[Interview with former Pernambuco Governor Marco Maciel by O GLOBO; time and place not given]

[Text] Recife (O GLOBO)—Former Governor of Pernambuco Marco Maciel, in an interview with O GLOBO, advocated a more concise text for the Brazilian Constitution so that it "will only deal with problems, which because of their importance, deserve to be established as constitutional norms."

He said the idea is not original but added: "There are things that are formally given the rank of a constitutional norm that would be better dealt with as complementary legislation or even ordinary legislation," Maciel also advocates the two-thirds quorum for amending the constitution so as to "safeguard the constitution from momentary vagaries."

The interview with the former governor follows:

[Question] Can the change from a quorum of a simple majority to a two-thirds majority for the approval of amendments to the constitution be understood as an advanced confession of defeat of the government?

[Answer] Rather than that I see in this initiative the concern of preventing the constitution, which is the greatest law of the land, from undergoing modifications and amendments by the force of merely circumstantial problems. In the final analysis, what I see is a concern in preventing that our greatest law, because of circumstantial problems, become susceptible to changes, changes which many times are not beneficial to the country in its historical course, but only satisfy circumstantial immediate problems. I believe that modifications of the constitution should only be made when there is a national consensus and not by possible majorities who wish to put measures of purely circumstantial interest into the constitutional text.

[Question] Would this restrictive quorum not inhibit reform initiatives?

[Answer] I must say that in keeping with that line of reasoning, I believe that even establishing the two-thirds quorum, it in no way inhibits, if there is a consensus at the level of Congress and the Executive Branch itself, the execution of a constitutional reform in the country. If no party today has a two-thirds majority by itself in the Nacional Congress--and certainly it is unlikely after the elections this year since they will establish the multiparty system--that does not exclude the possibility of a reform after the elections, providing there is a party consensus on basic subjects. This means there must be what is very common in a country with a democratic system: Understanding and actions which lead the parties to select certain points as necessary for the constitution.

[Question] Do you believe that a broad constitutional reform will be possible after the elections?

[Answer] Yes, even with the two-thirds quorum, if necessary, providing that the largest parties with representation in Congress, and with the agreement of the Executive Branch, reach an understanding on the subject. I recall that the Brazilian constitutional tradition was always that of selecting a specific quorum for changes in the constitutional text, except for a short period which lasted from 1977 until last month.

[Question] Do you believe that only the existence of a specific quorum would protect the constitution?

[Answer] There is something more. It is necessary that in the execution of constitutional reforms--perhaps this could be the task of the next Congress--an attempt be made in the execution of constitutional reforms to simplify the constitutional text as much as possible. There are many things that are formally given the rank of a constitutional norm which would be better dealt with as complementary legislation or even as ordinary legislation. I also recall what the French encyclopedists said: Only that which has to do with the organization of the state, the three-way distribution of powers, and individual rights and guarantees, is naturally constitutional. I believe that is a valid idea. We have the habit of raising to the category of constitutional norm many subjects which because of their own objective should either be the object of a complementary law or ordinary law. In some cases they could even be norms which could be taken care of in the Public Official Bylaws or even by regulation. Who knows, could that be a task for the new Congress?

[Question] It would, therefore, be basically a constituent Congress?

[Answer] I would not say a constituent Congress but I could say a Congress with constituent powers derived from a popular will. It would not be a Congress convoked for making a new constitution but a Congress with conditions for exercising its derived constituent power, that is, modify the constitution in that which seems to them to be best for the country. It is there that I would make the preliminary statement that we must have a constitution which contains that which is materially constitutional and of a certain perennial nature. It is important for the stability of the institutions that the constitution contain norms which are in conformity with our traditions and values and that, consequently, may insure a desired stability to the Brazilian institutions as a form of even becoming

a truly democratic regime in a more aware and cohesive manner. Now, despite the fact that there has not been the convocation of a constituent assembly, this does not mean that the next Congress is prevented from carrying out a reform if that were to be the intention of the legislators.

[Question] Together with a stable constitution, what else would be important for the stability of the country?

[Answer] The important thing for the stability of the country besides that is the creation and strengthening of the truly political parties.

[Question] What are truly political parties?

[Answer] They are the truly representative parties with a long understanding of public opinion and identified with the interests and hopes of the Brazilian community. I believe that besides the existence of a constitutional text, which effectively insures the stability of the constitution, it is necessary that we have party institutions which are representative of public opinion so that those parties may, in the degree in which they express the interest of public opinion, also contribute to the stability of the constitution, in short, as a way of making the entire democratic process possible. I do not know, among the best societies of our times, of any in which a true democratic regime with stable institutions may function without there being, in addition to the existence of the three branches, the existence of party institutions capable of playing their role properly.

8908

CSO: 3001/202

NEW AIRCRAFT, MISSILES, CLUSTER BOMBS TO GO INTO PRODUCTION

Rio de Janeiro O GLOBO in Portuguese 4 Jul 82 p 30

[Text] Sao Jose dos Campos, Sao Paulo (O GLOBO)--A sea patrol aircraft, and two versions for troop transport and search and rescue operations, derived from the EMB-RO Brasilia, will begin to be built next year on the basis of plans agreed upon this week between the Air Staff and the Brazilian Aeronautics Company (EMBRAER). The new models are going to replace the Bandeirantes, which the FAB [Brazilian Air Force] is now using, and will have more speed, greater capacity, double the power and many electronic improvements.

The military versions of the Brasilia will be the first Brazilian aircraft to use ECM [electronic countermeasures] capable of eluding enemy radar. Specifications set by the FAB include recommendations for increasing the firepower of the patrol aircraft, making them capable of detecting, finding, reporting, deterring and repelling the presence of alien shipping in Brazilian territorial waters. Those configurations and the new requirements by the Air Staff result from the awareness that the 14 FAB patrol Bandeirantes are not enough for surveillance of the 200-mile sea area where the priority is protection of the petroleum prospecting platforms, control of fishing and the installation of bases on strategic islands. The sea patrol Brasilia will have a 12-hour flying range, is pressurized, has more space and has a cruising speed of 310 knots.

Deadline Kept

The EMB-120 Brasilia will fly for the first time on 29 July 1983, a date being kept by EMBRAER despite a delay of nearly 6 months in the industrial timetable of the project. To recover lost time, the company is assimilating manpower from other sectors and practically abolished the premolding of parts, adopting the models designed by computers.

The Brasilia is a twin-engine turboprop aircraft equipped with PW-115 turbines especially developed by Pratt and Whitney of Canada. It will have a wingspan of almost 20 meters and be able to carry 2,600 kilos of cargo or 30 passengers or 25 equipped paratroopers. The military versions will receive a spare tank for increasing fuel-carrying capacity to 4,700 liters.

The FAB has not yet decided on the list of electronic equipment it is going to install on those aircraft. Generally, aircraft of that type contain electronic warfare systems, search radars, magnetic anomaly detectors, oblique, vertical and infrared photographic cameras, sonars, data processors and armament. The communications systems may have message coders by cryptography and cryptophony, in addition to facilities for the installation of data transmission instruments. The most sophisticated have the capacity for choosing targets and the selection of weapons and combat tactics by computers.

The most advanced industries of the sector are at this time involved in developing integrated digital calculators, technical and electronic programs and hardware (machinery) for air commands, capable of obtaining and handling information and transmitting it to ground bases. The main manufacturer of that equipment is France.

DFV Will Build the Piranha Missile

Sao Jose dos Campos, Sao Paulo (O GLOBO)--The Piranha missile and the cluster bomb designed by the Military Systems Division of the Aerospace Technology Center (CTA) should be transferred to the D.F. Vasconcelos Company of Sao Paulo by the end of the year, according to military sources. According to those sources, the CTA will receive funds of around 200 million cruzeiros for continuing studies and for making the transfer of technology.

The plan had been in the files since the middle of 1979 because of a lack of funds. The Ministry of Air cut off specific allocations of 500 million cruzeiros for the subsequent years. Because of that, the transfer of technology developed by the CTA to the private sector could not be made.

Within a period of 2 to 3 years, the Piranha should be placed on the Mirage and F-5 fighters of the FAB to replace the obsolete Magique Matra-530 missiles made in France. The Ministry of Air has not yet decided on the size of the orders it will make from the D.F. Vasconcelos Company.

The cluster bomb is made up of an aluminum container holding 400 grenades weighing from one-half to 1 kilo each and is able to destroy an area 120 meters long by 40 meters wide. The technology of the bomb is entirely national and it weighs 500 kilos.

The Piranha missile, caliber 150 millimeters, carries 14 kilos of high explosive. Its imported gyroscopes and electronic components represent nearly 20 percent of the cost of the weapon. The missile is guided by infrared sensors which detect enemy aircraft turbines and lead the Piranha to the target. Its destructible warhead explodes when it approaches the aircraft.

According to tests simulated in a computer, its margin of error is only 1 percent per firing.

Helicopter for Military Use in HELIBRAS Catalogue

Belo Horizonte (O GLOBO)--As of August, Helicopters of Brazil, Inc (HELIBRAS) will begin to offer helicopters adapted for carrying rockets, cannon, machineguns and other weapons in its sales catalogue. The inclusion of military aircraft in its production line was studied for more than a year, it was declared by HELIBRAS Superintendent Col Nivaldo Alves da Silva, and up to now no orders have been received.

"No one is interested yet," said the colonel, "we do not build that military version in answer to any specific order. What we do not want is that 1 or 2 months from now someone will come to our plant seeking a product we do not have."

In its plant at Itajuba in the southern part of Minas Gerais, HELIBRAS produces two types of helicopters, the Gaviao and Esquilo, the latter being the one selected to be the military type. Initially, the Esquilo will be provided with air-to-ground SBAT [Brazilian Air-to-Ground System] rockets produced in Sao Jose dos Campos, Sao Paulo, by AVIBRAS [Aerospace Industry]. HELIBRAS, However, can adapt its aircraft to carry any type of armament, depending on the specifications of the buyers.

The decision by the company to place a military version in its production line was made, according to Nivaldo Alves da Silva, to follow a tendency in the market which had been felt for some time. The HELIBRAS superintendent was emphatic in saying that the conflict between Argentina and England over the possession of the Malvinas Islands had no influence whatever on the decision to produce the military Esquilo.

HELIBRAS was consulted during the war in the South Atlantic by Argentine authorities, who although they made informal consultations, said they were interested in buying the best helicopters available in that class for its military force as soon as possible.

The Esquilo helicopter is a version of the French Ecureuil and is considered, according to the HELIBRAS superintendent, the best machine in its class in the world. The Esquilo, of which the Brazilian Navy has six units, is equipped with a 650-horsepower turbine and carries five passengers or 850 kilos of cargo. Its cruising speed is 232 kilometers per hour and it can fly 4 hours without refueling with a range of 700 kilometers. Its maximum operating altitude is 4,750 meters.

Kok Finds Assimilation of Weapons Technology Difficult

Sao Paulo (O GLOBO)--Despite the profits military reequipment will bring to the capital goods industry, the president of the Brazilian Association of Machine Industries (ABIMAQ), Einar Kok, believes the program of national manufacture of military materiel proposed by the armed forces to be of "only relative" importance. According to him, the program does not resolve a basic problem: The importing of advanced technology, an area which the country has not conquered and which because of the lack of funds, is not in a position to develop.

Satisfied with the armed forces decision to order equipment from national industry and with the recent decree signed by President Joao Figueiredo to exempt imports made by companies which will provide materials for the military reequipment from taxes, Kok said:

"The most serious aspect of the problem, however, continues without solution; in the area of armaments as well as in other sectors, the country remains in the uncomfortable position of not being the master of its fate; it continues to be dependent on foreign technology," he said.

According to him, the capital goods industry is in a condition to manufacture, and is going to manufacture, at least 60 percent of the needs of the armed forces. However, the 40 percent that will be imported represents that which will be important for a project, leaving the country as vulnerable as it always was.

As Kok explained it, the capital goods sector, which enfolds a large group of industries which supply equipment for the program to provide the armed forces with nationally-built materials, is only in a condition to manufacture conventional military materials: machineguns, some types of munitions and tanks.

8908

CSO: 3001/202

GOVERNMENT PARTY EXPECTS INCREASE IN CONGRESSIONAL SEATS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jul 82 p 4

[Text] The PDS [Social Democratic Party] should have 215 deputies and 41 senators in the next Congress, according to an evaluation now made by its leaders. For that reason, its secretary general, Deputy Prisco Viana, declared: "The most pessimistic result we admit we will receive is that of 45 percent of the future Chamber. That does not mean we cannot obtain more. As far as the Senate is concerned, we should increase our simple majority."

In the opinion of prominent members of the PDS, there will be no representatives of the PT [Workers Party], PDT [Democratic Workers Party], or PTB [Brazilian Labor Party] elected in the 15 November elections, only from the PDS and the PMDB [Brazilian Democratic Movement Party].

With respect to the composition of the future Chamber, government legislators predict the PDS will elect 215 deputies; the PMDB, 209; the PT, 30; the PTB, 15 and the PDT, 10. Naturally, these are forecasts made on the basis of the situation today, which could change with the passage of time.

PMDB

Already the leader of the PMDB in the Senate, Humberto Lucena, asserted yesterday that the party will be the majority in the future Congress to be elected in November, however, he is willing to give up that majority, including in the electoral college, providing the government agree to convoke a national constituent assembly to vote on a new constitution in which elections for president will once more be direct. In that case, there would be a new election for the creation of the constituent assembly. If the constituent assembly is not possible, Lucena says the PMDB is likewise willing to vote on a new constitution within a consensus in which the reestablishment of direct elections for president is one of the conditions.

Moreover, the legislator pointed out another alternative to allow voting on a new constitution: the reestablishment of a quorum of a simple majority for constitutional amendments instead of the quorum of two-thirds imposed by the last government "package."

PMDB GUIDELINES FOR FUTURE RELATIONS WITH GOVERNMENT STUDIED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jul 82 p 2

[Text] Candidates for governor and senator from the PMDB [Brazilian Democratic Movement Party] are going to gather in a document to be called "Declaration of Brasilia," a minimum list of joint actions for their future relations with the federation administration. The points will be discussed at a meeting convoked for 30 and 31 August and 1 September, at which time the sectoral and strategic action policies will also be established in the state as alternatives to government.

In that respect, yesterday Senator Jose Richa, PMDB candidate to the governorship of Parana, declared that it is already possible to see a different relationship between government at a state level and the central government, and between the government elected and the people of the states as a result of direct elections. Direct elections, according to the Sao Paulo senator, are going to transform the governors from mere delegates of the federal government because they were selected indirectly, into genuine representatives of the people.

The PMDB meeting will begin at 0900 30 July by the acting president of the Pedroso Horta Foundation, Senator Henrique Santillo (Goiias), followed by a statement by Deputy Ulysses Guimaraes, national president of the party. That same morning, PMDB Secretary General Francisco Pinto will explain the objectives of the meeting and later, Senator Santillo will speak on the methods and objectives to be attained. In the afternoon session there will be work by groups on subjects proposed for discussions which will serve as contributions to the "Declaration of Brasilia."

To arrive at this document, the groups are going to discuss the following subjects: electoral campaigns, political affairs, economic affairs, social and cultural affairs and planning and coordination.

Campaign

The methodology for the item having to do with the electoral campaign, like the other points of the meeting, is indicated by questions: 1) What are the main campaign commands? Will a national command be possible? 2) What are the sensitive points of the opponents? 3) What are the points on which the opponents will concentrate their criticism of the PMDB? How can they be answered? 4) Structure of the campaign and the process of publicity: How can a modern, politically effective campaign be adapted to the relative scarcity of resources

available to us? 5) How can the program and proposals of the PMDB be disseminated during the campaign? and 6) How can the campaign in the municipalities and states be linked with the national pronouncements of the PMDB?

Political Affairs

The questions on this chapter are the following: 1) What is the role of the PMDB in the present political period of the country? 2) What national importance is there in having the PMDB take over state governments and increase its legislative representation? 3) How can the struggle to convoke a national constituent assembly be carried out? 4) How can a mechanism for a permanent political bond among the PMDB state governments be created? 5) What is the role of the state legislatures in the PMDB governments? 6) How will relations between the communitarian nations and government agencies be carried out? [as published].

In the part on economic policy, the candidates for governor and senator are going to deal with questions relative to incentive to employment, tax policy, agricultural, industrial and mineral policy: instruments for oversight of, and actions by, multinational companies; incentive and expansion of small and medium business, and incentives for the small agricultural-livestock producer.

Cultural and social affairs range from the study of guarantees for providing basic necessities to low income people, to the examination of incentives to scientific and technological research having to do with the interests of the people in the PMDB state governments. Aspects relative to collective transportation, people's housing, primary and secondary education, public health and a minimum program for the universities with ties to PMDB state governments, will also be discussed.

8908

CSO: 3001/197

PDS SEEKS RESTRICTION OF MEDIA USE FOR ELECTIONEERING

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jun 82 p 4

[Text] Brasilia--A 40-day maximum, and only 1 hour per day, is the period the national leadership of the PDS [Social Democratic Party] seeks to establish for party advertising in the upcoming elections, pursuant to a draft bill prepared by the secretary general of the party, Deputy Prisco Viana [Bahia], to replace the Falcao Law.

The use of the space of each party, distributed proportionately to the legislative blocs existing in Congress, will be done pursuant to the decisions of the respective party leaderships. The philosophy behind the bill, according to Prisco Viana, is that of making the parties responsible for the possible abuses of candidates on the programs.

According to the Falcao Law, candidates only have the right to show their pictures, with the initials of the party to which they belong and their registration number in the Electoral Court, on television. On the radio, the name, the registration number, party and a brief biography of the candidate may be aired.

The first bill for revocation of the Falcao Law was prepared by Senator Passos Porto (PDS-Sergipe) when the national leadership of the PDS was thinking about consolidating all electoral legislation at the beginning of last year. The senator from Sergipe also advocated a short-term campaign in order to prevent--as he emphasized at the time--harm to the businessmen in the mass media, who before elections are forced to provide free use of radio and television for party advertising through the Electoral Court.

The idea of consolidating electoral laws, then advocated by Prisco Viana and by Maranhao Senator Jose Sarnei, national president of the PDS, not having been successful, revocation of the Falcao Law concluded by being postponed several times, which led leaders of the opposition to believe that law would be maintained for the elections next November.

Sarnei explained to newsmen, whenever they questioned him on the subject, that it is a matter of something on which there is no need for haste because advertising on the mass media is at the most accomplished during 2 months prior to the elections.

As far as the PDS leader is concerned, despite the controversial aspects of the law, the subject can be discussed and voted upon in August after the recess so as to be ready no later than the end of September.

Golberi

The original idea for the Falcao Law came from the former minister of the Civilian Household of President Ernesto Geisel, Gen Golberi do Couto e Silva. He ordered that the then minister of justice, Armando Falcao, prepare an official document on advertising in municipal elections. That bill became a law in 1976, and it was operative in the elections for prefects and councilmen that year. In April 1977, due to the results, which were considered "very good" for the government, the Falcao Law was extended to the elections for the Legislative Assemblies, Chamber of Deputies, and the Senate by means of the "April Package."

After the 1978 elections, former Senator Petronio Portela, then from the Piaui ARENA [National Renewal Alliance] and later minister of justice under President Figueiredo, acknowledged: "That was our great electoral weapon."

Senator Jarbas Passarinho (PDS-Para), president of the Congress which reported the Falcao Law for the municipal elections, believed it impossible to take care of all the candidates because of the lack of time and the means available. He advocated the revocation of that law for the federal elections. According to Prisco, his bill would not allow debates between candidates from different groups during the period of free campaign advertising. Passarinho, however, believes that dialogue under such conditions is more enlightening than a monologue.

Finally, those of the opposition who do not yet believe in the revocation of the Falcao Law, justify that position by pointing at the last political acts of the government. "Whoever made it a point of approving the last package must not have an interest in elections," commented Deputy Fernando Lira of the PMDB [Brazilian Democratic Party Movement] of Pernambuco.

8908

CSO: 3001/197

BRIEFS

SWEDES SEEK MORE TRADE--Sweden seeks to increase its trade relations with Brazil by installing companies in this country or creating joint ventures. This type of cooperation could be in the areas of telephony, telecommunications, machinery, electricity, automobile industry, measuring and precision instruments, pharmaceutical industry, tools, paper and cellulose, and other already traditional sectors in trade between the two countries. The information was provided yesterday by Rolf Wirten, minister of economy of Sweden, during his official visit to Sao Paulo, where he met with Osvaldo Palma, secretary of industry, commerce, science and technology of the state. According to the minister, trade and cooperation between Brazil and Sweden have been taking place since 1925, but they were increased as of 1970, when several Swedish companies were installed in the country. Now, Swedish investments total \$450 million (historical value)--it is the 8th largest foreign investor--represented by 80 companies and the creation of 30,000 jobs for Brazilians. The trade balance, despite always having shown a positive balance for Brazil, said the minister, has been increasing considerably. Trade in 1981, counting exports and imports, totalled approximately \$400 million. Osvaldo Palma broached the idea to the minister of creating a binational technical research center. Such a project, it was reported by an adviser to the secretary, will be of great importance to Brazil, since Sweden has a sophisticated industrial technology. Also last night, Rolf Wirten left for Brasilia to meet with Ministers Delfim Netto, Ernane Galvaes and Camilo Penna, and the president of the Central Bank. At the federal capital, it was revealed by the Swedish minister, he will discuss forms of support for increasing bilateral trade and cooperation. This trip, he concluded, is in answer to a visit by four Brazilian ministers to Sweden during the past 8 months. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jul 82 p 29] 8908

BAHIA ARRESTS--Thirteen of the 100 persons, who were kept 2 hours at the Association of Public Employees of Bahia, surrounded by 13 Federal agents, were being kept prisoners and incommunicado up until last night. The agents suddenly interrupted the launching of the MAGAZINE OF THE ARAGUAIA GUERRILLA commemorative of the 10th anniversary of that armed movement. The incident took place the night before last at Carlos Gomes Avenue (Center), which was blocked off by armed police. "The climate was one of terror," declares the president of the Bahia Students Union, Luciano Melo, who like the other persons attending the launching were carefully searched and identified by the agents. The launching of the magazine was progressing calmly when some of the organizers discovered three men with weapons, one of them with a recorder. Challenged, the three resisted and were thrown out by force. In seconds, declare witnesses, nearly 30 men

entered weapons in hand, shouting. They searched everybody, filled out reports with the information taken from documents taken from the people surrounded. The majority of them were released at 2130. The Federal Police Department did not operate yesterday in Salvador because it was a holiday. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jul 82 p 14] 8908

CHINESE INTEREST IN AIRCRAFT--Sao Jose dos Campos, Sao Paulo (O GLOBO)--CATIC, a Chinese aeronautics technology import-export company, proposed to EMBRAER [Brazilian Aeronautics Company] this week the joint manufacture of a 100-passenger medium aircraft along the lines of the Electra, pledging to make an initial purchase of 100 aircraft, it was reported yesterday by sources linked to EMBRAER. The largest airplane now being built in Brazil is the 30-passenger Brasilia, which will make its first flight 29 July next year. One of the options EMBRAER promised to study, and which was discussed during a week of meetings with the Chinese delegation visiting Brazil, is the use of an old Brazilian plan for the Amazonas, an aircraft prior to the present Bandeirante, which stipulates the construction of a four-engine turboprop airplane with specifications close to those requested by the Chinese.

EMBRAER, however, is already involved in three large projects: the Brasilia, the Tucano military trainer, and the AMX subsonic fighter, and will find it difficult to accept the Chinese proposal. It would require Brazilian Government financing. According to initial understandings, the Amazon would also have military versions which would replace the present Hercules C-130 of the Brazilian Air Force. An airplane of that size is of great interest to the Chinese for establishing regional aviation. The Chinese aviation industry seeks to establish concrete cooperation plans with EMBRAER for the joint construction of aircraft, instruments, parts and components, as a means of increasing trade between the two countries, reported representatives of the mainland Chinese Government, who have been in Brazil since last week. The party, consisting of Jiang Tong, Wang Dawei, Wang Yingaran and Lu Yum, visited installations and observed operations systems of Varig, Rio-Sul and Vasp, seeking to obtain information for preparing the plans for establishing regional aviation in their country. In EMBRAER, where they spent a week, they said they came seeking ways to establish an industrial cooperation agreement. [Text] [Rio de Janeiro O GLOBO in Portuguese 26 Jun 82 p 18] 8908

ANTARCTIC MISSION BASE--Rio Grande, a city in Rio Grande do Sul (320 kilometers from Porto Alegre), will be the starting base for all future Brazilian expeditions to the Antarctic Continent. The information was confirmed yesterday by sources of the Rio Grande University Foundation (FURG) after a visit by the coordinator of the Brazilian Antarctic Project (PROANTAR), Adm Mucio Piragie Ribeiro de Backer, to that city. Also this year, FURG is going to be designated the site of a center for Antarctic studies, where the results of all research done by national scientists in the Antarctic will be collected. The first expedition should leave 17 November for the Shetland Islands and Wedley Land [As published]. The selection of Rio Grande as an operations base, according to the same sources, is due not only to the fact that it has a port with a good infrastructure, but also because of its location. It is at the most accessible point to the Antarctic by sea, which will facilitate the supplying of the polar ships. Rio Grande do Sul geographer Jane Pereyron Mocelin, of the Rio Grande do Sul Federal University (UFRGS), who was with a team of Chilean scientists on

an expedition to the Antarctic in February with four other explorers from the Vale do Rio dos Sinos University (UNISINOS of Sao Leopoldo, Greater Porto Alegre), explained that the Brazilian expedition is of great importance because in 9 years (1991) talks on the Antarctic Continent International Statutes will begin. This means that as of that date the rights each nation may have over that area will begin to be clearly defined. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jul 82 p 10] 8908

PCB SECRETARY GENERAL—Secretary general of the Brazilian Communist Party [PCB] Giocondo Dias, who travelled to Moscow last weekend, will participate in the electoral campaign canvassing votes for the Brazilian Democratic Mobilization Party [PMDB]--the party the PCB supports in most states--and particularly for colleagues who are publicly known as members of the PCB and are candidates. That is the situation of Hercules Correa, candidate for federal deputy for the PMDB of Rio de Janeiro, and that of Luis Tenorio de Lima, candidate for the municipal chamber of Sao Paulo for the PMDB. Both Correa and Lima are members of the central committee of the PCB. According to communist leaders who gave out the information in Sao Paulo yesterday, it has not yet been decided whether Giocondo Dias will participate in the campaign of communist leader Gregorio Bezerra, candidate for federal deputy for the PMDB of Pernambuco. [Text] [PY310248 Sao Paulo FOLHA DE SAO PAULO in Portuguest 30 Jul 82 p 5]

CSO: 3001/205

PRESIDENT ADDRESSES NATIONAL STUDENT CONGRESS

Santiago EL MERCURIO in Spanish 21 Jun 82 p A 1

[Text] The president of the republic emphasized yesterday that the economic measures taken by the government "obviously will not have immediate effects, and for that reason we should not sit around waiting for the results; we should continue working with greater effort and vigor, since that is our task and our challenge."

"Furthermore," he stressed, "we must bear in mind that this undertaking is not limited to the economic aspects; our action also includes political and social aspects."

Speaking at the inaugural ceremony of the First National Congress of Secondary Students at the Conference Hall of the Diego Portales Building, in which 1,000 leaders participated, the president added: "I say this because it would seem that some are interested only in the economy, and when the figures are not altogether positive, they forget everything we have accomplished."

Social Action

"No, sirs!" emphasized his excellency. "The government's social development plans, which will directly benefit the most needy, are being carried out day after day with the same or greater intensity than yesterday. We have not given up our dream of eradicating extreme poverty and fighting to better the living conditions of vast sectors of the Chilean population, shunted aside by the demagogues."

"Old Democracy"

Later he stated: "I have no hesitation in affirming to you young people once more that the road of the old liberal democracy is no longer a guarantee against totalitarianism, because its very concept of liberty rejects any possibility of introducing concepts and provisions to protect it."

"For that reason, young men and women, we have brought about a new constitution, a protected and protective document, the primary law of 1980."

"Corrective Measures"

After indicating that in order to pursue the nation's objective "it is essential that all Chileans make a concerted effort," President Pinochet said: "Despite the efforts that have been made, at this time we face serious economic difficulties as a consequence of the worldwide recession."

"In view of this situation," he added, "the government has taken the necessary corrective measures, constantly keeping sight of its objective of economic development and liberty that has provided so many benefits for the country."

No to Politicians

He also repeated the government's intention of "continuing with a firm and sure step toward our goal of consolidating and strengthening an effective and integral grassroots democracy completely alien to the vices and schemes that Chile knew before 1973, and that the demagogues and some politicians simply want to revive today."

"Once again," emphasized the president, "I give them a resounding no!"

Institutionality

Later on he said: "I would also like to point out that according to a chronological order, the organic laws established in the Constitution of 1980 will be put into effect, culminating with the new institutionality we have promoted."

"For that reason," he went on, "you should think about the meaning and progress of the 'seven modernizations,' because in each of them something specific and significant has been done for the various sectors of national life."

Finally, the president repeated that "the future of this land we love so dearly lies in you. Long live Chile!"

Aspirations and Concerns

The first speaker was the executive chairman of the First National Congress of Secondary Students, Ignacio Fernandez. He stated that the 2,000 delegates represent 412 educational establishments throughout the country, which in turn represent a population of 340,000 mid-level students.

He also pointed out that the objective of the meeting, whose deliberations will take place at the Barros Arana National Boarding School, is to learn the aspirations and concerns of Chilean youths, as well as their extracurricular activities, the characteristics of today's youth, and the degree to which they have assimilated what the government has accomplished in recent years.

8926

CSO: 3010/2020

PILOT PLAN FOR TECHNICAL, CREDIT ASSISTANCE TO FARMERS

Santiago EL MERCURIO in Spanish 7 Jul 82 p C 2

[Text] The National Rural Development Service, now known as the Agriculture and Livestock Development Institute (INDAP), will begin in 1983 to administer "a great national technical assistance program." At the same time, this organization "will continue to manage the credit support plans that benefit the country's small farmers."

This announcement was made by INDAP Vice-President Alberto Cardemil Herrera upon his return from a tour of the Maule region with Minister of Agriculture Jorge Prado.

Cardemil reported that this year a pilot plan is being implemented in Region VII. The plan consists of technical and credit assistance, and will later be carried out throughout the nation.

Program

The INDAP vice-president stated that in putting this initiative into practice, and for the purpose of making integral use of the resources of the eight Technical Business Assistance Enterprises (ATE) that exist in the region, a total of 1,717 bonds were transferred to the ATEs. He added that this measure will be complemented with a special credit program which will benefit more than 4,000 farmers in all. He explained that this figure represents approximately 10 percent of the small farmers in Region VII.

Cardemil stressed that the plan will make it possible to "prove the advantages" or detect the flaws of the program in a highly agricultural area, so that in 1983 it can be extended to other regions.

Current Problems

INDAP Vice-President Alberto Cardemil reported that his tour of the Maule region was made in response to an invitation from the Federation of Farmers of the Seventh Region. He added that the minister's visit, however, was intended to determine the progress of measures announced by the president of the republic last March during a meeting with local farmers.

He instructed INDAP to provide technical and credit support for small farmers, to hire community agronomists and veterinarians, and to transfer the last two Agrarian Reform Corporation (CORA) quotas at the end of the period for the total liquidation of the debt.

Cardemil said that the basic problems of the agriculture sector of Region VII consist of deficiencies in organization and marketing, and the need for more adequate, timely and rapid technical and credit assistance.

Mass Meetings

He noted that these matters were analyzed during meetings at seven places in the provinces of Linares, Talca and Curico, attended by more than 2,500 farmers altogether.

In that regard, he reported that Minister Prado had presented a virtual challenge to farmers to create a marketing infrastructure for their products, which would have the support and cooperation of government organizations such as INDAP and others.

Cardemil said that in this regard, all small farmers need is "determination and a desire to put their initiatives into practice."

He also said that in Curico, where there was also a meeting with more than 200 agricultural leaders in the Ventanas de Teno sector, similar problems were presented.

Regularization of Credit

The vice-president of INDAP announced yesterday that in Region VII a program to regularize credit was put into effect. Under this plan, small farmers may choose the alternative of liquidating their debts to the organization with 50 percent or more in cash, and over a period of up to 3 years.

According to Cardemil, about 1,500 farmers owe approximately 70 million pesos to the agrarian organization.

Damage to the Sector

When asked about the magnitude of the damages caused by storms in the areas he visited, the INDAP vice-president said that they were not serious in Region VII. He added that some sectors have problems but they are not major. He commented that according to reports in the possession of the minister of agriculture, the damage is concentrated in Regions V and VI and the Metropolitan Region. He noted that fortunately there was not too much storm damage at that time because the region is prepared for such possibilities. "It is different when the weather turns bad in the fall, when harvesting is taking place, than in spring, when planting is being done."

8926

CSO: 3010/2020

REPORTAGE ON TRADE, PROTOCOL AGREEMENTS

Havana CUBA ECONOMIC NEWS in English Mar-Apr 82 pp 7-9

[Text]

FOREIGN TRADE

COMMERCIAL EXCHANGE AGREEMENTS
AND PROTOCOLS SIGNED

From February to March, the following trade agreements and protocols were signed with different countries:

Protocol with the German Democratic Republic

On February 17, the trade Protocol between Cuba and the German Democratic Republic was signed. Deputy Ministers of Foreign Trade José de la Fuente and Dietrich Lemke, signed the document which represents a 10-percent increase of trade between the two countries. Cuba will supply sugar, citrus fruit, nickel and industrial products, and, in turn, will receive machinery, industrial and farm equipment and consumer goods from the G.D.R.

Agreements with Democratic Yemen

Ali Naser Mohamed, President of the People's Democratic Republic of Yemen, accompanied by President Fidel Castro, attended the signing ceremony of several agreements, among them, the agreement concerning trade, on the occasion of his visit to Cuba. The document was signed by Cuban Minister of Foreign Trade, Ricardo Cabrisas Ruiz and by Abdul Aziz el Dhali, Minister of Public Health of Yemen.

Cuba-Czechoslovakia Trade Protocol

On February 26, the Trade Protocol for 1982 was signed in Prague, Czechoslovakia, by Deputy Ministers of Foreign Trade of Cuba and Czechoslovakia, José de la Fuente and Frantisek Zureck, respectively.

The document stipulates a 27.3-percent increase in relation to the exchange of 1981. Cuba will export sugar, molasses, nickel, copper concentrates, tobacco, minerals and citrus fruit to Czechoslovakia and in turn it will receive machinery, textile and chemical products, medical equipment and consumer goods.

Trade Agreement with Albania

The Trade Agreement on Goods and Payments for the 1981-85 period between the Republic of Cuba and the People's Socialist Republic of Albania was signed on February 17. The Trade Protocol for 1982 and the Price Fixation Protocol for 1982-85 period were also signed.

Deputy Minister of Foreign Trade, Andrés Yebra, signed the document for Cuba, and for Albania, Muzafer Ahmeti, his Albanian counterpart.

Trade Protocol with China

The Trade Protocol for 1982 between Cuba and the Popular Republic of China was signed by Deputy Minister José de la Fuente and Lu Xu Shang, respectively, in the Cuban Ministry of Foreign Trade.

The Chinese delegation was received by acting Minister of Foreign Trade, Germán Amado Blanco Fernández. During the talks, an exchange of opinions of mutual interest was held.

Trade Agreement with Poland signed

On March 19, Cuba and Poland signed in Warsaw a Trade Agreement for the 1982-85 period, representing a 75-percent increase over the previous five year period.

Cuban and Polish Ministers of Foreign Trade, Ricardo Cebrián and Tadeusz Nestorowicz, signed the document as well as a Price Protocol. Cuba will supply nickel, sugar, fresh and preserved citrus fruit, artificial wood, cigarettes, alcoholic beverages, bee honey and peppers among other products and will receive from Poland agricultural air planes, automobiles, engines, spare parts, textile fabrics, electric fans, computers, machinery and supplies for the sugar industry.

CSO: 3020/156

REPORTAGE ON ECONOMIC COOPERATION AGREEMENTS

Havana CUBA ECONOMIC NEWS in English Mar-Apr 82 pp 5-7

[Text]

COOPERATION

ECONOMIC COOPERATION

AGREEMENTS SIGNED

During February-April, 1982, the following Agreements and Protocols were signed between Cuba and the following countries:

Bus Agreement with Hungary

José Ramón Fernández and Jozsef Marjai, Vice-Presidents of the Councils of Ministers of Cuba and Hungary, respectively, signed on February 19 in Budapest the new Cooperation Agreement for the supply and construction of "Ikarus" buses in Cuba. The document also outlines the trade exchange up to 1985. Other documents envisaging the increase of Cuban-Hungarian cooperation were also signed.

It was reported that trade exchange between both countries will reach 150 million rubles per year.

Cooperation with Hungary will also include its participation in the construction of the new nickel processing plant which will be erected in Las Camariocas, in the northern part of Holguín province.

3rd Cuba-Irak Intergovernmental Session

During the talks held on the occasion of the 3rd Session of the Cuba-Irak Joint Commission, the development of cooperation in the fields of public health, construction, sugar industry, computer systems, trade and others, were examined.

Héctor Rodríguez Llompарт, Minister-President of the State Committee for Economic Cooperation, headed the Cuban delegation and Mohamed Fadhel Hussein, Minister of Construction and Housing, the Iraqi delegation.

Today more than 2000 Cuban construction workers are undertaking the construction of a 143 kilometer-long highway and 3 urban developments, each one consisting of more than 1000 housing units.

Cuba-Nigeria Final Document on Cooperation

The Final Document stemming from the talks held between the delegation from Oyo State, Federal Republic of Nigeria, and the Cuban delegation, headed by the Vice-President of the State Committee for Economic Cooperation, Manuel Torres, was signed in Havana on March 2. Mr. Bola Ige, Oyo Governor, headed the Nigerian delegation.

Final Document of the British-Cuban 5th Meeting

The 5th Session of the British-Cuban Joint Commission ended on March 4 when a Final Document was signed and which outlines economic, commercial and techno-scientific relations. José Fernández d'Cossío, Vice-President of the State Committee for Economic Cooperation signed for Cuba, and Mr. Roy Williams, Under-Secretary for Overseas Trade of the Department of Trade of the United Kingdom, for Britain. Mr. Williams also headed the British delegation which participated in the meeting.

Also present were the Cuban Ambassador to Great Britain, Hermes Herrera and the British Ambassador to Cuba, Mr. David C. Thomas.

20 years of Cuba-USSR cooperation

Twenty years have elapsed from the signing of the Scientific-Technical Cooperation Program to the signing of the Cultural Cooperation Agreement between Cuba and the USSR on March 30.

On that occasion, Dr. Wilfredo Torres, Chairman of the Academy of Sciences of Cuba, reported to Granma newspaper that the celebration of this anniversary was another evidence of the assistance rendered by the USSR to our country in every field since the very beginning of the Revolution in 1959.

Cuba-USSR cooperation covers almost all sectors of our country's economic life and it has also promoted the training and further development of hundreds of technicians in different branches of science and technology.

Outstanding examples of this cooperation are, for instance, cooperation in the design of the KTP-1 harvesters and the design of the raw sugar cooling system for bulk sugar shipments; satisfactory results have also been achieved in agriculture, standardization, oil by-products, geology, anti-corrosion technologies, development of medicinal plants, and in many other branches.

More than 40 bilateral cooperation agreements have been signed between Cuba and Soviet ministries, agencies and other institutions, as a means for the implementation of the above-mentioned tasks.

The First Atlas of Cuba was the result of a joint cooperation between the Academies of Science of both countries and, at present, much is being done in the sphere of solar energy and laser-based techniques, such as holography.

Another important achievement was the 1980 Soviet-Cuban Spaceflight.

Cooperation Program with Nicaragua

An Economic, Scientific and Technical Cooperation Program was signed in Managua, Nicaragua, on April 5. This document covers Cuban-Nicaraguan relations during the present year.

The document was signed by Héctor Rodríguez Llompart, Minister-President of the Cuban State Committee for Economic Cooperation and by Major Jaime Wheelock Román, Minister of Agricultural Development and Agrarian Reform of Nicaragua.

Cooperation includes technical assistance, training of personnel, exchange of missions and donations of foodstuffs, equipment, parts and textbooks and technical literature.

The number of Cuban workers in Nicaragua will reach the figure of 2800, including 100 more doctors for the Carlos Fonseca Amador Brigade, formed by more than 450 medical personnel, as well as the number of primary school teachers will be maintained at 2000.

The Nueva Guinea-Monkey Point highway will be completed, 1200 Nicaraguans will receive training courses in different specialties, and Nicaraguan athletes are to be trained with a view to their participation in the next Central-American Games. Minister Wheelock mentioned the loan of 50 million pesos allocated for the construction of a new sugar mill, based on Cuban design, and a large percentage of its equipment and installations are also Cuban made. This loan, with 3 years of grace, is to be paid in 15 years, and at a 6-percent yearly interest rate.

CSO: 3020/156

CUBA ADVERTISES MEDICAL PLAN FOR TOURISTS

FL281325 Bridgetown CANA in English 1157 GMT 28 Jul 82

[By Lionel Martin]

[Text] Havana, 28 Jul, CANA-REUTER--The Cuban Government is inviting ailing foreigners to enjoy the country's tourist attractions while receiving the best medical care available on the Caribbean island.

Tourist authorities offer visitors everything from skin grafts and eye operations to radiation treatment, plastic surgery and abortions.

"Come to Cuba and improve your health while enjoying our benign climate and pure environment," says a brochure distributed by the Cuban Tourist Bureau "CURATUR."

While medical care is free for Cuban citizens, the medical plan for foreigners is strictly a commercial venture.

According to the brochure, "The Cira Garcia Central Clinic will coordinate medical attention for foreigners through a network that is considered among the most advanced in Latin America."

Many foreign diplomats who have received treatment at the Cira Garcia Clinic or other Cuban hospitals say the best of Cuba's medical care is excellent by international standards.

During a visit to Cuba last August, Halfdan Mahler, the director-general of the World Health Organisation, praised Cuba's medical services and the progress it has made in public health.

The visiting patient can check into a hotel in Havana or choose to stay at the beach resorts of nearby Santa Maria del Mar or Varadero, some 90 miles (145 km) away.

The brochure publishes a list of package plan prices for operations. An abortion, including 12 hours in the hospital costs 283 dollars.

Plastic surgery on the nose costs 778 dollars. An operation for cataracts, 653 dollars. A complete hysterectomy, including seven days in hospital costs

983 dollars. Arterial grafts, with 20 days in hospital, are listed at 3,363 dollars.

The patient can have all his teeth extracted for 25 dollars and a set of false teeth put in for 150 dollars.

A consultation with a university medical school professor costs 40 dollars and ambulance service within Havana is 10 dollars a trip.

Cuban President Fidel Castro said last December that medical services both at home and abroad could become "an important sphere of the Cuban economy."

The government says the purpose of the medical plan for foreigners is to gain hard currency for an economy that has been suffering from dramatic drop in crude sugar prices on the world market.

A medical source said: "We have no idea how much money will be earned through medical treatment for foreigners, but every little bit helps."

Officials do not expect a massive influx of prospective foreign patients as a result of their low-key advertising campaign. One official said that only a tiny fraction of the expected 180,000 tourists this year would come for medical treatment.

A tourist industry source said the biggest prospective markets for Cuban medical services were Canada, Mexico and Spain, which send the largest numbers of tourists to Cuba.

One western diplomat here speculated that the Cuban plan might be attractive to patients seeking discretion or to women in such places as Latin America where abortions are illegal.

CSO: 3020/157

BRIEFS

BOOK RELEASED—The book "Marching with Fidel" by Antonio Nunez Jimenez was released to the public in the city of Bayamo, at the historical homestead of Carlos Manuel de Cespedes, the founder of our country. This special event commemorated the 29th anniversary of the attack on the Moncada Barracks in Santiago, Cuba and the memory of Carlos Manuel de Cespedes. Carlos Rafael Rodriguez, member of the Communist Party of Cuba politburo, who was in charge of the book's dedication to the public, praised Nunez Jimenez intellectual and revolutionary attributes. He also referred to Nunez Jimenez long-standing friendship with Fidel Castro and to his Marxist-Leninist ideals. Carlos Rafael Rodriguez said that "Marching with Fidel" is the story of the revolution as told by an insider. Nunez Jimenez said that it was an honor for him to be in the house of Carlos Manuel de Cespedes commemorating the 26 July in the indomitable land of Bayamo. "Marching with Fidel" is about the heroic deeds of the nation under the leadership of Fidel Castro, stressing the human and personal characteristics of the top leader of the Cuban revolution. [Text] [PA272331 Havana International Service in Spanish 1800 GMT 27 Jul 82]

GENOCIDE HALT URGED—Havana, 28 Jul (AFP)—Cuban Chief of State Fidel Castro in his role as president of the nonaligned movement sent a new message to Noel G. Sinclair, president of the UN Security Council, calling for "the quickest action" on the part of the UN Security Council "to halt the genocide of the people in Beirut." In this message published today in Cuba, Castro deems it unpostponable that the UN Security Council "take the necessary steps to order a halt to the siege and bombing of the city of Beirut and the unconditional withdrawal of Israeli troops from Lebanon." The principal cause that permits the aggression against the Lebanese capital to continue, the president added [words indistinct] international to the strategic genocidal alliance between the United States and Israel, whose immediate and repulsive fruit is the attempt to annihilate the Palestinian people and the progressive Lebanese forces," he noted. [Text] [PA290423 Paris AFP in Spanish 0345 GMT 29 Jul 82]

COACH REQUESTS ASYLUM—Caracas, 29 Jul (AFP)—It was reported here today that Pedro Pablo Garcia, a Cuban athletics coach, deserted his delegation in Barquisimeto, Venezuela, and asked for political asylum in this country. Garcia has been away from his delegation since last Tuesday, when he said that he was going to take a walk in the city of Barquisimeto, which is located 30 km west of Caracas. This city is hosting a Pan-American youth athletic tournament this weekend. Garcia has not returned to his team since then. The

Caracas newspaper EL NACIONAL said that the Cuban coach presented himself to the directorate of intelligence and prevention services, DISIP, and asked for asylum. The newspaper added that DISIP turned the case over to the ministry of foreign affairs. According to the Barquisimeto newspaper EL IMPULSO, Garcia had told his friends that he wanted to leave Cuba and take up residence in Venezuela. [Text] [PA292020 Paris AFP in Spanish 1511 GMT 29 Jul 82]

ARGENTINE SUPPORT PRAISED—Amadeo Blanco, Cuban vice minister of foreign trade, has said in Buenos Aires that the continent's solidarity was again made evident in a recent meeting with the Latin American economic system's [SELA] action committee held in support for Argentina in that capital. Blanco recalled that this committee was created as a result of the need to counteract the economic aggression that the United Kingdom, the United States and Western European countries launched against Argentina in the wake of the Malvinas conflict. He added that Cuba will participate actively in all SELA programs to help Argentina that were approved at the meeting. SELA Secretary General Carlos Alzamora said that after the British-Argentine conflict over the Mal Malvinas Islands, nothing will be the same among SELA members or in the organization's foreign relations. [Text] [PA301712 Havana International Service in Spanish 0000 GMT 29 Jul 82]

CASTRO AWARDED GOLD STAR—Hanoi—Vietnam's council of state has decided to award the order of the gold star to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and president of the councils of state and ministers. A decree issued in Hanoi, regarding Vietnam's highest distinction and signed by Chairman Chinh Truong, described Fidel Castro as the beloved leader of the Cuban working class and people and an eminent fighter of the world's communist and national liberation movements. The decree also highlights the top cuban leader's contributions in consolidating and developing the fraternal friendship, militant solidarity and diversified cooperation between the two countries. [Text] [FL291720 Havana Domestic Service in Spanish 1600 GMT 29 Jul 82]

VALDES MEETS GHANA DELEGATION—Jorge Risquet Valdes, member of the politburo, held a meeting today at the central committee headquarters with Daniel A. Akata-pore, member of the Ghanaian Provisional National Defense Council, and chief of the Ghanaian delegation that is in Cuba on a friendly visit. Other members of the Ghanaian delegation are (?Yada Kanwata Viisa) and (?Abadug Oyu Mathew). During the meeting, which was characterized by a cordial and friendly atmosphere in keeping with the existing relations between the two countries, they discussed issues of mutual interest. [Text] [FL301820 Havana Domestic Television Service in Spanish 1700 GMT 30 Jul 82]

'ARAFAT SENDS CASTRO MESSAGE—Leader of the Palestinian resistance Yasir 'Arafat has again called on the international community in solidarity with his people and Lebanon to stop the genocidal Israeli aggression. 'Arafat sent an urgent message in the last few hours to our Commander in Chief Fidel Castro, chairman of the nonaligned movement, and to the heads of state of the Soviet Union, France, Saudi Arabia and UN Secretary General Javier Perez de Cuellar. The new messages from the top leader of the Palestinian resistance explain the grave situation prevailing in the Lebanese capital as a result of attacks by

Israel which last night unleashed a criminal bombardment of densely populated areas in west Beirut. The Zionist Israeli Government has also refused to obey the UN Security Council resolution approved yesterday. [Text] [FL311545 Havana Domestic Service in Spanish 1407 GMT 31 Jul 82]

NEW BURMESE AMBASSADOR RECEIVED--Carlos Rafael Rodriguez, vice president of the council of state, last Saturday received in solemn audience His Excellency Mr (Saw Fraing), who presented his credentials accrediting him as ambassador extraordinary and plenipotentiary of the Socialist Republic of the Union of Burma to our country. Participating in the ceremony were Jose R. Viera, foreign minister ad interim, Roberto Melendez, director of the foreign ministry's protocol directorate and Angel Rodriguez, deputy director of the protocol directorate. At the conclusion of the ceremony the ambassador went to the Plaza de la Revolucion and placed a floral wreath at the foot of the Jose Marti Monument. [Text] [FL021445 Havana Domestic Service in Spanish 1400 GMT 2 Aug 82]

RESOLUTION ON PUERTO RICO--United Nations--Cuba has submitted to the UN decolonization committee the draft of a resolution reaffirming the inalienable rights of the people of Puerto Rico to self-determination and independence. The draft of the resolution sponsored by Cuba, Afghanistan, Syria and Iraq reiterates the recommendation that the assembly general examine the Puerto Rico case as a separate topic during its 36th regular meeting. At the time of submitting the draft, Cuban Ambassador Raul Roa Kouri asserted that it responds to the interests of the patriotic sectors of the Puerto Rican people. In his report to the committee, Roa Kouri noted that the Puerto Rican public opinion wishes to preserve its national identity, culture and unity as a nation in the face of the colonial situation imposed by the United States. [Text] [FL041307 Havana Domestic Service in Spanish 1217 GMT 4 Aug 82]

CSO: 3010/2058

ARMY PARTICIPATES IN LAND DEEDS DISTRIBUTION

PA300430 San Salvador EL DIARIO DE HOY in Spanish 28 Jul 82 p 36

[Paid advertisement by the Salvadoran armed forces: "The Agrarian Reform Continues...Views and Feelings of the Armed Forces Personnel..."]

[Excerpts] Introduction

The chiefs, officers, soldiers and administrative personnel of the army 1st infantry brigade, are pleased to welcome the provisional president, government officials and special guests to this solemn act (distribution of land deeds to peasants). They will witness here that the reforms are being carried out according to plan, without looking back at the unjust past. The peasants will receive deeds to the land which makes them the legitimate owners of the land which they indefatigably worked. This justly rewards them for their patient work made effective by the implementation of Decree 207. [passages omitted]

The Armed Forces' Presence

This military garrison is honored to participate in this land distribution ceremony. We are corroborating with our presence that we are not indifferent to our people's socio-economic problems and that we are faithfully serving the precepts set forth in the armed forces proclamation and that we will guarantee the process which began in October 1979.

Foreign Aid

By no means are we going to go down on our knees to beg for help from friendly countries that, having identified with our struggle, have given us their support which in a way has been encouraging. [passages omitted]

To the Opposition

The people and the armed forces are aware of the bloodshed that is going on in the country and of the uncertainty of the future. We wish to remind those accustomed to manipulating political powers through their economic resources that we can recover what they have lost if they apply their business acumen to exploit what they actually have. They must also remember that future generations, no matter how poor, will be demanding better treatment, more

opportunities and social benefits to share with their families. We are not blaming anyone for the mistakes and we are not telling anyone how to act. However, it would be a good idea if we start thinking about the reasons for our mistakes and of the differences that exist between us and the people whose support we need. We suggest that you join the people, the government and the armed forces to build a better society.

To the lawbreaking subversive fronts which demagogically promised significant changes and which, on failing to fulfill their hopes to seize power, have continued to make the same errors, staining the countryside with the blood of innocent people who did not accept their lies, forcing entire families to leave the valley and sending them to refugee camps to share anguish and sadness, with the rest who bravely opposed being mercilessly executed in the woods next to creeks: the people, government and armed forces are inviting you to come down from the mountains, leave the woods to participate in this wonderful spectacle and that being repentant, you throw your arms at your international bosses. They wear French-made clothes and drink Russian vodka in Europe, and do not care about your suffering, do not mind deceiving you and do not bother about your health or if you die, but who, in an intransigent way, demand that you place and set off bombs which are daily destroying the fatherland in pain. [passage omitted]

[Signed] Col Manuel Edmundo Palacios, Army 1st Infantry Brigade (San Carlos Headquarters in San Salvador).

CSO: 3010/2070

LEGAL AID OFFICE REQUESTS RELEASE OF PRISONERS

PA032347 San Salvador ORIENTACION in Spanish 1 Aug 82 p 10

[Paid advertisement by the National Executive Coordinating Board of El Salvador's Christian Legal Aid Office, dated 27 July]

[Excerpts] Open letter from the Christian Legal Aid Office:

His Excellency President Alvaro Magana, the honorable constituent assembly and the honorable supreme court:

Aware that more than 500 political prisoners are being tried under the repressive and unconstitutional Decree No 507 or "special law on procedures applicable to crimes cited in article 177 of the constitution," El Salvador's Christian Legal Aid Office addresses you on this occasion to state respectfully the following:

1. That the decree in question, which was published in the OFFICIAL GAZETTE of 3 December 1980 by order of the revolutionary government junta under the powers granted to it by Decree No 1 dated 15 October 1979, in article 16 states: "This decree will be in effect as long as the constitutional guarantees are suspended."
2. That the constitutional guarantees listed in the previous article were those that had been suspended under the state of siege decree on 27 March 1980, which was successively extended until 26 March 1982.
3. That on 20 May 1982 a new state of siege was decreed through Decree No 189, but on this occasion it was approved by the honorable constituent assembly. This decree also suspended the constitutional guarantees, that is, 53 days after they had been restored.

Consequently, the legal aid office believes:

That beginning 27 March 1982, the repressive and unconstitutional Decree No 507 automatically and by its own disposition was abolished. Therefore, constitutional guarantees are restored as of that date. Consequently, the law on procedures are restored as of that date. Consequently, the law on procedures

applicable to crimes cited in article 177 of the constitution "is hereby formally abolished." [passage omitted]

Because of all that we have mentioned here, we respectfully request:

1. That all prisoners imprisoned before 26 March 1982, the date on which Decree No 507 expired, be legally notified of the reasons and legal basis for their imprisonment. In any case, since the trials have been unduly and excessively delayed, all those whose guilt has not been proven must be immediately released.
2. That all prisoners who were tried under Decree No 507 after 27 March 1982 also be released, because Decree No 507, which raised actions that are not punishable under our current penal code to the category of crimes, was abolished as of that date.

CSO: 3010/2070

ARMY-GUERRILLA CLASHES REPORTED IN USULUTAN

PA311953 San Salvador DIARIO LATINO in Spanish 29 Jul 82 pp 3, 9

[Excerpts] Intense clashes occurred yesterday throughout a large area of Usulután, during the third day of counterinsurgency operations launched by the Salvadoran army to dislodge the guerrillas from positions in various extensive sectors.

An army officer said that "we are operating from bridge to bridge," reporting that the fighting is taking place from the Cuscatlan Bridge, located on the Pan-American Highway in southern Usulután, up to the bridge on the Littoral Highway in San Marcos Lempa.

He also reported that the leftwing groups began to move toward northern Usulután when approximately 2,000 armed forces troops were deployed to dislodge them, particularly from the area of Tierra Blanca and San Agustín, where well-organized camps were discovered.

It was reported that the extremists launched a heavy attack on military positions near the San Lorenzo hydroelectric dam. Approximately 2,000 more soldiers were sent there to fight the subversive as a result.

Following those actions, the 4,000 soldiers began an encirclement operation in the zone to clear it of guerrillas, within the armed forces' pacification campaign.

Military spokesmen at Berlin, in Usulután, said that military movements in the area where being intensified and that at least 1,500 men were active there.
[passage omitted]

A military source said that other clashes occurred yesterday, when approximately 150 subversives caused disorders by stopping vehicles and collecting "war taxes" from the passengers and drivers and stealing their belongings.

These incidents occurred in El Cedral Canton near the turnoff to Suchinango.
[passage omitted] The soldiers said that the extremists were able to flee.

Other attacks were reported in Santo Domingo, San Vicente Department, where the extremists attacked military posts and installations.

It was also reported that confrontations took place in Quelepa, San Miguel, but there were no casualties. [passage omitted]

CSO: 3010/2070

BRIEFS

RADIO STATIONS OCCUPIED--San Salvador, 31 Jul (AFP)--Several San Salvador radio stations occupied for a short time today by guerrilla groups who broadcast an FMLN communique. The communique especially condemned U.S. aid and criticized the "fascist government under the direction of General Garcia and Roberto D'aubuisson," defense minister and president of the constituent assembly, respectively. This was the first spectacular action of the guerrillas in San Salvador in the last several weeks. The FMLN recalled its presence by taking advantage of the "August festivities," which began today with a general decrease in activities throughout the country that will last all through next week, since many Salvadorans are heading for the beaches or elsewhere on vacations. Meanwhile, early today a break in high-tension cables, caused either by sabotage or a technical mishap, left half the country and a large section of San Salvador without electric power for several hours. [Text] [PA010017 Paris AFP in Spanish 2142 GMT 31 Jul 82]

FMLN CRITICIZES HONDURAS--Ramon Cardona, representative of the FMLN/Revolutionary Democratic Front of El Salvador, charged in Paramaribo, Suriname, that the United States has made a counterrevolutionary gendarme in Central America out of Honduras. Cardona, who is touring the Caribbean countries, said that all of Washington's actions against the progressive forces in Central America are currently being organized in Honduras. He added that the White House is planning a large-scale war against Nicaragua and the Salvadoran Patriotic Movement from Honduras. Those U.S. plans, Cardona said, could provoke a regional war and the Honduran regime will have a very grave responsibility if this happens. [Text] [PA311614 Havana International Service in Spanish 0000 GMT 31 Jul 82]

LARGE-SCALE OPERATION ENDS--The large-scale counterinsurgent operation that the army carried out for 5 days in a large area of Usulután, where well organized guerrilla camps operated ended yesterday. The operation, which Defense Minister Gen Jose Guillermo Garcia described as successful, was carried out by members of the no 4 military detachment with the cooperation of the Atlacatl and Gen Ramon Belloso immediate reaction battalions. Members of the Atlacatl Battalion who were asked about the operation said that the extremists suffered at least 20 dead, while the battalion only lost 3 of its men. These were the only casualties reported during the whole operation. They added that the Atlacatl Battalion was operating in the northwestern sector of San Agustín; and according to their information, the area is completely free of subversives. [passage omitted] [Excerpt] [PA010157 San Salvador DIARIO LATINO in Spanish 30 Jul 82 p 1]

USSR ISSUES COMMUNIQUE ON BISHOP VISIT

FLO21654 Bridgetown CANA in English 1645 GMT 2 Aug 82

[Text] St Georges, Grenada, 2 Aug, CANA--Grenada and the Soviet Union have expressed their support for the proposed creation of a new international economic order, for detente and the principle of non-interference in the internal affairs of other states, the government-run "Radio Free Grenada" reported today.

The radio said the two countries' positions were contained in a joint communique issued over the week-end in Moscow at the end of an official state visit to the Soviet Union by a high-powered Grenadian ministerial delegation headed by Prime Minister Maurice Bishop.

The report said the two countries felt there was a need to urgently restructure the world's economic relations on a "more equitable and democratic basis."

Such a move would promote progress in developing countries, the communique stated.

It added that both Grenada and the Soviet Union underlined the importance of cooperation between their two countries and noted that their present relationship was based on the principles of equality and mutual respect.

The two countries expressed their willingness to strive to widen their commercial, economic, scientific and cultural ties.

"The two countries also came out strongly against the imperialist policy of economic and political blackmail of Grenada and other countries in the Caribbean and Latin America, and condemned the United States interference in El Salvador," the radio reported.

The Soviet Union and Grenada condemned the United States for "escalating the arms race" and for building new weapons of destruction which they felt were undermining detente and enhancing the danger of nuclear war.

The two countries, which established diplomatic relations at ambassadorial level in 1979, also expressed solidarity with the "struggling peoples" of

Namibia and the whole of Africa, and denounced Israel for its "genocidal policy" in Lebanon, the radio added.

Moscow and Grenada have been seeking to strengthen their relations since the leftist New Jewel Movement [NJM] seized power in a coup in Grenada on 13 March 1979.

CSO: 3025/1133

BRIEFS

NEW GOVERNMENT APPOINTMENT ANNOUNCED—St Georges, Grenada, 2 Aug, CANA—Grenada's leftwing government has announced the appointment of Dave Barthlomew, a former major in the People's Revolutionary Army (PRA), as the new secretary for youth and sports. Mr Barthlomew, 26, replaces Leon Cornwall, who was recently named Grenada's new resident ambassador to Cuba, a post previously held by Richard Jacobs, who has been transferred to head the Grenada diplomatic mission in Moscow. Mr Barthlomew was recently appointed chairman of the ruling New Jewel Movement (NJM) National Youth Organisation (NYO), which is headed by Prime Minister Maurice Bishop. [Text] [FL021652 Bridgetown CANA in English 1635 GMT 2 Aug 82]

APPOINTED TO ACP CHAIRMANSHIP—St Georges, Grenada, 28 Jul, CANA—Grenada announced today that it has been elected to the chairmanship of the African-Caribbean and Pacific (ACP) states sub-committee on industrial cooperation, becoming the first Caribbean country to occupy the position. An official statement here said during the next 12 months the Grenada ambassador to the European Economic Community (EEC), Mario Bullen, will be the spokesman for ACP countries in all matters dealing with industrial cooperation under the Lome 2 convention, linking the EEC and ACP blocs. [Excerpt] [FL281638 Bridgetown CANA in English 1532 GMT 28 Jul 82]

CSO: 3025/1133

ECONOMY MINISTER ON IMPORTS, AREA MEETING

PA311648 Panama City ACAN in Spanish 0147 GMT 31 Jul 82

[Text] Guatemala City, 30 July (ACAN-EFE)—Upon his return from a trip to several Central American countries, Guatemalan economy minister, Julio Matheu said today that his country has not closed its borders, as international dispatches have indicated.

At a press conference this afternoon, Matheu said that all that has been done "is the adoption of certain reciprocal measures in response to punitive taxes levied on Guatemalan exports to Central America, despite the fact that those countries' products have free entry here."

Matheu added: "Thus Guatemala, in defense of its economic interests, must reciprocate and apply import taxes on products coming from the Isthmus' countries."

The Guatemalan official also disclosed that his counterparts—El Salvador's Manuel Pacas, Costa Rica's Marco Antonio Lopez Aguero and Honduras' Gustavo Alfaro—have accepted his invitation to meet in Guatemala City next week.

The Guatemalan minister left here yesterday on a 48-hour [as received] trip, to visit his colleagues in El Salvador, Honduras, Nicaragua and Costa Rica.

Yesterday as well, the Central American economy ministers cancelled a meeting convoked by the secretariat of Central American economic integration (SIECA) to promote the reactivation of the Central American common market. The meeting's cancellation was the result of "internal problems" faced by some of the area's countries.

In calling the meeting, SIECA Secretary Raul Sierra Franco said that it was an "extremely serious" matter that the Central American ministers had not met in the last 18 months.

CSO: 3010/2067

AGRICULTURE MINISTER ON AGRARIAN REFORM

PA312040 Guatemala City PRENSA LIBRE in Spanish 21 Jul 82 p 6

[Text] The National Agrarian Transformation Institute (INTA) will operate under the instructions of the agriculture ministry, because there should not be differing policies in this area, Agriculture Minister Leopoldo Sandoval Villeda said yesterday.

He added that if the other decentralized institutions in the public agricultural sector cooperate closely with the ministry, the INTA will also do so, in order to achieve the most agrarian benefits.

Why?

Because there cannot be two policies for achieving the same objectives. In other words, the nation's agricultural policy must be set by the agriculture ministry, no matter who is serving as minister. To put it another way, there can be no conflicts in the area of agrarian reform, as there were when I served as INTA president. The problems I faced at the time were very serious, because I had one policy and the minister had a totally different one, which made it impossible to do any work.

What about expropriations of land within the agrarian policy?

I have sworn to respect the basic statute of government. As for agrarian reform (expropriations), I will adhere to the precepts of article 23, paragraph 3 of that statute, which states: "Private property is recognized and everyone may freely dispose of his property in accordance with the law. Expropriation will not be decreed except in cases of duly confirmed public utility or public need and will be effected in accordance with the law." I consider this to be fundamental and as long as the statute exists I will not stray from that rule.

On the Options

Sandoval Villeda added:

Either agrarian reform is carried out in this way, through a political decision at the highest level, or the peasants, the guerrillas, etc., will carry it out by another path, on their own. However, if it is done institutionally, it

must be the result of political decisions at the highest level. Naturally, we must understand clearly that if this should take place, neither I, the president of the republic nor any official should be the ones to announce, let alone carry out, a measure of this nature.

The minister then turned to a discussion of cooperatives and the peasants' participation in agrarian reform. He said:

Agrarian reform is an instrument for development. The conditions in each country, and at times in each region, determine whether or not it will work.

Well then, I do not believe in agrarian reforms programs like many of those that have been implemented in Latin America.

For example?

The ones that are carried out to mitigate the peasants' hunger; those that are implemented to punish the landowner and certainly those that are carried out for reasons of political demagoguery, in order to deceive the peasants. Moreover, I do not believe in agrarian reform that establishes land parcels, since I do not believe in dividing up the land. I think that this is an error.

What is your opinion of the distribution of national estates to the peasants?

It is not appropriate from the technical viewpoint, and not because it is intended to benefit the peasants—because agrarian reform is and should be for the peasants—but because, as I said, I do not believe in parcelling. In such a case, an established enterprise is destroyed, to be converted into small parcels. Therefore, one of my basic concerns is to carry on with the training of peasants and officials so that they can operate properly at the managerial level. Incidentally, I began this program 16 years ago with the cooperative estates and other such ideas. I trust that they will be continued now, in the proper manner.

Naturally, it is necessary for me to clarify my position in regard to the peasants. At no time should what has been done be considered obligatory. Instead, since an error has been committed, we will try to correct it, with the peasants' cooperation. If in the final analysis they choose their parcels, it will be their own decision. However, it should be clear that the policy that we are advocating would improve their socioeconomic conditions.

Land in the Entrepreneurial System

Asked his opinion of the land distribution program, Sandoval Villeda said:

I believe that it should be done in the form of peasant entrepreneurs, with the agricultural enterprise combining the factors of production—that is, land, capital and labor—so that it will not only bring about the development of the peasant family, but also contribute to the country's development. Of course, some peasants may be able to subsist successfully under the parcelling system, but they would not go much beyond subsistence.

Therefore?

If one desires to have agrarian reform serve as an instrument of national development, rural entrepreneurial systems will have to be developed to promote employment in other sectors of the economy, providing food for other people by stimulating the agro-industrial sector. Unless productive enterprises are organized to generate greater productivity, thus galvanizing the sectors of the economy, agrarian reform will make no sense.

CSO: 3010/2067

GOVERNMENT RELEASES SHORT-TERM ECONOMIC PLAN

PA301311 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 28 Jul 82

[Text] Today the military government revealed the short-term economic policy that will be used to guide the country. The announcement was made during a meeting that President Efraim Rios Montt and his cabinet held with several hundred businessmen in a Guatemala City hotel.

According to the document released today, the military government agreed on a five-point program, proposed by its economic advisers, that will:

1. Correct the external sector imbalance through stable prices;
2. Rectify the deficit in public financing;
3. Reactivate the production sector and raise employment levels;
4. Reduce social inequality; and
5. Assist in reactivating the common market.

According to the military government's economic advisers, these goals should be achieved through intensive efforts to increase exports; a change in the country's oil policy; the establishment of contacts with the IMF; efforts to take active advantage of foreign financing; an increase in foreign exchange income, through stricter controls on income from exports; the regulation of businesses engaged in foreign exchange transactions; analysis of the feasibility of permitting deposits in dollars; rationalization of the use of foreign exchange; increased tax collection, through greater efforts by tax authorities; a reorganization of customs and improvement in administrative procedures on tax matters; the implementation of tax audit programs, to ensure the collection of taxes; government benefit from the reduction of fuel costs, while maintaining the same prices for consumers; reiteration of the need to comply with conditions on obtaining loans; a reduction in government spending; and the elimination of projects in the budget that are not strictly necessary for the country's development.

Through this plan, the government also intends to revitalize the production sector, by:

1. Expanding subsidies to small farm producers;
2. Granting farm credits to cooperatives;
3. Helping farmers in irrigated areas;
4. Developing irrigation districts;
5. Promoting the production of legumes;
6. Maintaining a policy of prices and purchases of basic grains [words indistinct]
7. Attaching priority to foreign exchange for imports intended for use in producing agricultural foodstuffs;
8. Maintaining the guarantee fund for the cultivation of export crops;
9. Making foreign exchange available for activities that produce export goods;
10. Making arrangements to obtain economic resources for the development of new exportable farm products; and
11. Granting additional financing to agriculture.

In the industrial sector, the solutions planned by the military government are to improve the private sector's participation in the overall credit program; to maintain industrial protection measures; and to grant protection incentives to new industries, particularly those that will produce export goods and foodstuffs, those catering to markets outside Central America and those based on labor organizations or cooperatives. Industries will be given priority in the distribution of foreign exchange on the basis of decisions by Bank of Guatemala technicians.

The military government's economic plan also provides for a solution to the housing deficit and the lack of employment opportunities, by:

1. Implementing broad housing programs;
2. Supporting housing programs by organized groups; and
3. Making the necessary arrangements to grant immediate loans for housing construction.

As for the reactivation of employment, the plan calls for developing projects of social interest that will benefit refugees from troubled areas, implementing programs to provide food in exchange for work in areas that are less affected

by violence, revising criteria applied in projects developed by the Institute for Municipal Development, attaching maximal priority to projects of cooperative interest, ensuring a minimal level of assistance for the rural population in troubled areas, establishing a socially acceptable margin of security in regard to food, protecting food industries, conducting an in-depth review of rural and urban housing policies, ensuring that education and health services are consistent with the country's needs and expediting the use of foreign loans.

CSO: 3010/2067

GOVERNMENT SETS CONDITIONS FOR RECOGNITION OF BELIZE

PA310221 Panama City ACAN in Spanish 0015 GMT 31 Jul 82

[Text] Guatemala City, 30 Jul (ACAN-EFE)—The Guatemalan Government is willing to recognize Belize's independence if Great Britain solves, through negotiations, the long standing dispute it has with Guatemala over that territory, Guatemalan Foreign Minister Eduardo Castillo Arriola said today.

Besides from recognizing Belize as an independent state, the Guatemalan Government is also willing to sign cooperation agreements with Belize, Minister Castillo Arriola added.

"Guatemala will cooperate with Belize only when the dispute is solved, because then the Guatemalan decision to recognize Belize as a state would be justified," Minister Castillo Arriola indicated.

He said that when this occurs Guatemala and Belize can sign agreements of cooperation, of friendship, of nonaggression, of mutual defense and to integrate that nation to the community to which it belongs by tradition, geography, history and geopolitical necessity.

Minister Castillo Arriola explained that the conversations to solve the conflict will be held only with Great Britain, because the problem is with that European country.

"It is not that we do not want to talk to the Belizeans, we are going to talk with them, but not when they sit next to the British and opposed to us to us discuss an artificial problem created by Great Britain against the interests of Guatemala, Minister Castillo Arriola said.

CSO: 3010/2068

ARMY REPORTS RECENT TERRORIST ACTIONS IN QUICHE

PA022155 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Aug 82

[Text] According to the army's public relations office, three extremists and two members of the civilian self-defense patrol died during two terrorist actions carried out yesterday in Quiche department.

The military report notes that the fighting took place in the (Las Capuchinas) village, where two civilian patrolmen were assassinated by subversive criminals. The two were on patrol when they were surprised by the subversive, who assassinated them, the official report states.

The army bulletin adds that another self-defense patrol from Chinique on a search operation clashed with a group of bandits near the Tululche River, killing seven members of the subversive group. In this armed clash, the patrolmen suffered no casualties. They seized arms, individuals' combat gear, ammunition and medicine which the terrorists left behind as they fled, the military report notes.

In Alta Verapaz, subversive criminals attacked an air force helicopter. Two crew members died, reports another press communique issued by the army's public relations office.

According to the official report, this attack took place at 1430 in Canguinic, Chisec Municipality, as the helicopter's crew was unloading food in connection with operation beans which the army is carrying out to help the rural population.

CSO: 3010/2068

UNIVERSITY PROFESSOR RELEASED FROM PRISON

PA301351 Guatemala City CADENA DE EMISORAS UNIDAS in Spanish 0050 GMT 30 Jul 82

[Excerpts] Dr Juan Jose Hurtado Vega has been freed by the government. After having been under arrest for 35 days at the II corps of the national police, Dr Juan Jose Hurtado Vega was today released at 1630 by the government of Gen Efraim Rios. Dr Hurtado Vega is secretary of the Francisco Marroquin University School of Medicine. He had been accused by the president of being a communist, according to statements made by General Rios on television in early July.

Dr Juan Jose Hurtado Vega, a well-known and prestigious pediatrician, was arrested on 24 June and released today before the bishop, Msgr (Eduardo Fuentes), and (Jorge Torriello Garrido), president of the Red Cross. He looked pale when the authorities released him.

Dr Hurtado was arrested at his clinic by armed men who did not identify themselves as government officials, so it was initially believed that he was being kidnapped and that there were no political implications.

Later, the president himself publicly announced on his Sunday television program on national network that Dr Juan Jose Hurtado Vega had been arrested by the police under charges of being a communist. For this reason, he said, Dr Hurtado would be tried by the courts, since such charges provided the basis for bringing him to trial at any moment.

A few days later, the doctor's wife, Mrs (Elena Paz y Paz de Hurtado), was allowed to visit him inside the small police hospital at the II corps, which is located on 11th Avenue, Zone 1, near La Merced Church.

Today, after 1600, Hurtado Vega was released by the authorities in the presence of the auxiliary bishop, Msgr (Eduardo Fuentes), (Jorge Torriello), president of the Red Cross, and (Rafael Escobar), deputy public relations secretary of the presidency. [passage omitted]

Dr Hurtado disclosed at the Red Cross office that he intends to go abroad to get some much needed rest.

CSO: 3010/2068

BRIEFS

FOREIGN MINISTERS MEETING CANCELLED--Guatemalan Foreign Minister Eduardo Castillo Arriola has confirmed that the foreign ministers meeting to have been held in Costa Rica has been cancelled. He denied that this cancellation was made because of the political conflicts prevailing on the Isthmus: [begin recording] [Castillo Arriola] It seems that no new draft document was prepared because they couldn't meet due to lack of time. I received a note from the Costa Rican foreign ministry telling me that the meeting has been postponed for a few days. We will have news on this soon. [Question] This means that the meeting has not been cancelled because of the conflicts between Nicaragua and Honduras? [Answer] No, not at all. [end recording] [Text] [PA301441 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT]9 Jul 82]

U.S. AID END SOUGHT--The Guatemalan Human Rights Commission [Comision Guatemalteca de Derechos Humanos] has asked the U.S. Congress to terminate military aid for the Guatemalan and Salvadoran regimes, arguing that Washington's support for the two tyrannies will mean the addition of thousands of deaths to the long list of crimes the two regimes have committed and will increase the imminent risk of war in Central America. In a letter sent to the U.S. Congress, the Guatemalan organization emphasized that the world's peoples and organizations that fight for peace and the preservation of human rights trust that congress will reject the false certification recently presented by President Ronald Reagan. Last Tuesday, Reagan certified before congress that there are tangible signs of improvement within the repressive regime that rules El Salvador. He did this in order to insure approval of the U.S. military and economic aid plan for that country's regime, which amounts to more than \$365 million for this fiscal year. [Text] [PA311519 Havana International Service in Spanish 1600 GMT 30 Jul 82]

KIDNAPPERS RELEASE NEWSPAPER DIRECTOR--Guatemala, 31 Jul (ACAN-EFE)--Alvaro Contreras Velez, director of the newspaper PRENSA LIBRE, who had been kidnapped by the communist Guatemala Labor Party [PGT], was released this morning, PRENSA LIBRE sources reported to ACAN-EFE this morning. "The journalist is in good health, is now at his home and will hold a news conference at noon today," the sources added. The release of PRENSA LIBRE's director comes 2 days after the Guatemalan Government decided to release medical doctor Juan Jose Hurtado, who stands accused of being one of the top leaders of the PGT. The Guatemalan communist party has also been holding the son of Interior Minister Col Ricardo Mendez Ruiz for more than a month. Several conditions have been imposed by the PGT for his release. Contreras Velez was kidnapped by the PGT on 5 March 1982, 2 days before the controversial presidential elections were held. [Text] [PA010113 Panama City ACAN in Spanish 1906 GMT 31 Jul 82]

PPP ORGAN ASSAILS PNC FOR FAILURE OF COOPERATIVES

Georgetown MIRROR in English 11 Jul 82 p 2

[Editorial]

[Text] At the opening of the Greater Georgetown Fishermen's Cooperative, Mr Burnham last week gave the assurance that his government would continue to give assistance to co-ops because "they were expected to play a dominant role in national development."

The idea of naming our country the "Cooperative Republic of Guyana" is the brainchild of the PNC. We have now been a Cooperative Republic for 12 years but the sad truth is that co-ops have failed miserably in Guyana, mainly through neglect and lack of encouragement by the very Government which is supposed to base its philosophy, albeit erroneous, on that idea.

Despite all the fan-fare about cooperativism, the reality is that literally hundreds of co-ops have failed because of lack of support. There has been a lot of talk, but not enough concrete assistance and backing of cooperatives. Instead, capitalist enterprises under the guise of co-ops have received all the help. Further, PNC enterprises like the KSI have run consumers co-ops out of business.

The concept of co-operativism has been corrupted by greed and subversion. Quite a number of business ventures have been cloaked under the name of co-operatives, in order to provide the means of obtaining lucrative contracts and concessions from the government.

People in high places have found it easier to do business with the government under the pretence of being co-ops and have carried out many scandalous rip-offs, gleaning lucrative profits in such ventures. Party patronage has been filtered through co-ops, thus earning greater advantages in many forms. Also, co-ops are exempted from payment of income tax on profits made and this makes for higher profits for the capitalist enterprises under the guise of co-ops. They are not subject to audit by the Auditor General either.

In an article in the PPP's official organ Thunder, it was quite correctly pointed out that "Co-operatives in Guyana under the PNC are being used to strengthen capitalism rather than replace it as the PNC pretends." The

article also made a most important point: "This is made even clearer by the PNC's declared intention of converting the State-owned bauxite enterprise into a co-operative." Clearly the intention is to denationalise the major industries.

In Guyana, certain concepts and ideas which are broadly accepted and practised in some countries have been twisted and subverted here, giving people wrong ideas about the worth, practical application and need of such concepts. The co-operative is one such concept. Nationalisation and state enterprises are another. Some people are led to believe that the failure of our nationalised industries and state enterprises are the fault of the concepts, not understanding that it is the faulty application that has led to such failures.

Co-operatives can be useful steps in the direction of building socialism, but cannot in themselves create a socialist society. The so-called "co-operative socialism" of the PNC in which co-ops will become a major sector of the economy has not worked, cannot work and will not work. This concept does not take into account class differences and class struggle. In fact some of the co-ops in Guyana actually exploit workers.

The ideological confusion of the ruling party is one of the several reasons why it is incapable of giving leadership and why the country is sinking deeper and deeper into ruin.

CSO: 3025/384

PPP STATEMENT CHARGES PNC WITH SELLING OUT TO CAPITALISM

Georgetown MIRROR in English 27 Jun 82 p 1

[Text] The People's Progressive Party observes that the PNC regime, submitting to pressures, has embarked on a full scale retreat, back into the arms of imperialism and to pro-imperialist positions in the political, ideological and economic spheres. These pressures are spearheaded from Washington and come mainly through the US-controlled World Bank and IMF.

Thus said the PPP in a weekend statement which continues:

Top officials of the government are in Washington lobbying the US authorities. The old imperialists whose companies have been nationalised are returning or seeking to return to Guyana while new imperialist investors are pouring into the country seeking deals with the bankrupt regime. Among those likely to return is Alcan, former owner of the Demerara Bauxite Company (Demba) now Guymine.

Unbridled Capitalism

The PPP understands that plans are afoot to bring back unbridled capitalism and that these plans include the dismantling and selling out of some state sector companies, while in others management will be handed over to the imperialists. The plans also include de-regulation of the economy, meaning the removal of all controls.

The Party had warned long ago that unless the regime implemented the PPP's 17 Point Plan put forward in 1976 there would be grave problems in the economy. The PPP's Plan was not implemented. Consequently the economy has crumbled and the country is bankrupt, as the PPP had foreseen. The sovereignty of the country and its political and economic independence are being threatened by the World Bank, the IMF and the USA as they generate pressures forcing the hapless regime to move more to the right.

Caught in its own web of deception, the PNC intends to declaim from the rooftops that its change of course to the right is in essence a type of "New Economic Policy" as was undertaken by Lenin during the early days of Soviet power. This would be a big lie to cover up its shameless sell-out and treachery. While there was some backtracking under pressure from the

Carter regime, now with Reagan in the saddle and virtually "shooting from the hip" cowboy-style, the spineless PNC is in full disorderly retreat on all fronts.

The PNC plans to hand over the nationalised bauxite industry to foreigners to manage while in the case of the nationalised sugar industry it plans to convert a large body of workers into peasants. Under the plan, cane cutters will be given the fields to cultivate while Guysuco retains control of the factories to which the canes will have to be sold. The present sorry plight of cane farmers in Guyana whose canes Guysuco buys at atrocious prices should warn sugar workers against that perfidious plan. In this scheme, the regime seeks to place the alleged losses of the industry squarely onto the backs of the workers, fragment the work force and undermine the unions in the sugar belt.

Rightist circles in Guyana, in seeking to dupe the masses, claim that "socialism has failed" and that "free enterprise or capitalism is the answer" as in the days before nationalisation. What exists in PNC Guyana is not socialism and never was! The "old days" which the reactionaries are longing for are those of the estate logies, Jim Crow at the bauxite town MacKenzie, racist colonial rule and fat profits at the expense of a ruthlessly exploited people.

Jamaica No Model

The rightist circles (inside and outside Guyana) are holding up Jamaica as a "model" for the Caribbean. Seaga's Jamaica is no model for any country to follow! In that country factories are closing, bankruptcies are on the rise and unemployment is rising steadily. And the very Jamaican Manufacturers Association (JMA) which helped to remove Manley and bring Seaga to power is now bitterly protesting against the effects of deregulation. It has opened the flood gates to monopoly invasion of Jamaican markets; foreign goods are flooding Jamaica, ruining local manufacturers. The JMA in its annual report says that it is not prepared "to take more licks" and is demanding an end to deregulation.

The PPP is in favour of local manufacturers and is against the domination and ruin caused by imperialist transnational monopoly penetration. The Party is therefore vehemently opposed to any Jamaican-style deregulation in Guyana, noting that it would be compounded with denationalisation and the auction of national assets. It further notes that despite massive US aid to Jamaica following Seaga's rise to power, there is still an ongoing economic crisis in that country comprised of sweeping layoffs, massive stockpiles of unsold bauxite and a worsening balance of trade position.

No Retreat!

What has failed in Guyana is not socialism, but state, bureaucratic and cooperative capitalism masquerading as socialism. What is needed is genuine scientific socialism.

The PPP says no to retreat in shame and disorder. It calls for relentless struggle against the imperialists and their lackeys on the side of the working people. Any other road is the road to further ruin and dependency.

CSO: 3025/384

BRIEFS

GUYANA STARTS SECOND CROP--Georgetown, Guyana, Monday, (CANA)--All but one of the Guyana Sugar Corporation's (GUYSUCO) 10 factories have begun grinding in the second crop. They produced 5,362 tons of sugar last week, surpassing their targets, a GUYSUCO spokesman said. Total production in the second crop now stands at 6,675 tons and production for the year at 93,620 tons. Consumers in Georgetown however, continue to experience difficulties in obtaining sugar. Activists of the opposition working people's alliance staged a demonstration outside the major government outlet, Guyana stores supermarket, Saturday. They accused the government of "starving out Guyanese" while sugar and other basic items were unavailable inside the supermarket. [Excerpts] [FL281800 Bridgetown ADVOCATE-NEWS in English 27 Jul 82 p 3]

FIELD-RIDLEY 'COVERUP' CHARGE--Georgetown, Wed., (Cana)--The Working People's Alliance (WPA), a small opposition political party here, has called for a public inquiry into the death late last month of a former Guyana Information Minister, Shirley Field-Ridley. In its publication "Dayclean," the WPA said: "Her death was surely of the type that calls for a full inquest." The WPA said there appeared to be a move by the ruling People's National Congress (PNC) to cover up the cause of death. It said one "cover-up story" was that Mrs Field-Ridley who was married to Guyana's Vice President Hamilton Green, died after a long illness. The WPA said the doctors who conducted the post mortem "found no disease and no bad organs." They put the death down to "shock and haemorrhage," without giving details of what brought them on, the party said. It also claimed that the team of doctors at the post mortem did not have the contents of Mrs Field-Ridley's stomach reported to have been sent to the government laboratory for analysis. Mrs Field Ridley's body was cremated. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Jul 82 p 5]

CSO: 3025/384

CDP-CPP ALLIANCE ISSUES POLICY POSITION

Kingston THE DAILY GLEANER in English 26 Jul 82 p 8

[Text] The C.D.P.C.P.P. Alliance has taken final steps to place itself in a state of readiness for the day when the Alliance will be called upon to assume full responsibility for conduct of the affairs of the Nation at the governmental level. Accordingly the Alliance now puts forward its policy Posture on a number of important issues with which Jamaica is now greatly concerned.

1. Economic Policy

The Alliance continues to stress that the best path for Jamaica to follow is a mix of the Economic Stances of Monetarism and Classical Supply Side Economic Philosophy called Reaganomics, which calls for a dramatic shift of resources from Consumption to investment; Steep Tax cuts on business and Personal incomes to encourage hard work, savings and investments to facilitate expansion of output, also restraint on government spending for non-productive purpose and less governmental intervention in the economy. In this context the Alliance on taking power will immediately remove all taxes on shareholders dividends emanating from Company Profits.

The Alliance advocates and will implement a policy mix which effectuates a compromise between the conflicting stances of protectionism and import substitution on the one hand, and structural adjustment of the economy with export orientation on the other. Also, workable elements of the publicly owned and centrally directed command economy will be looked at to see where this Economic Ideology can fit in our overall C.D.P.C.P.P. Governmental Economic Policy.

2. Foreign Policy

Close Jamaica-United States co-operation in the International Economic, Political & Diplomatic areas will constitute the centerpiece of the Foreign Policy of the coming C.D.P.C.P.P. Alliance Government, also development policies in the Economic, Social, Cultural and Technical areas jointly undertaken by the United States of America and other western nations and the Jamaica Public and Private Sectors which were initiated and currently being pursued at the instance of the present Jamaican Government will be continued by the new

continued by the new C.D.P.C.P.P. Administration. However, the foregoing policy must, when implemented, be in conformity with the basic principles of and requirements of a sovereign and independent Jamaican nation.

3. Rastafarianism

The C.D.P.C.P.P. Alliance Government will endorse and give full material support to the Rastafarian Movement's demand for repatriation to Africa and will take such steps as are or will be necessary to secure realisation of this objective; we have entered into dialogue with certain very important Rastafarian leaders in the Corporate Area of Kingston and Saint Andrew and in the county of Cornwall and a joint C.D.P.C.P.P. Alliance Rastafarian Repatriations Committee will in due course be set up.

4. Media. The Alliance is primarily concerned with the television sector of the Media which is likely to become the main source of information for the people of the new and advanced societies. The Alliance is against the present monopoly of the Television Sector by the government-owned J.B.C. and the C.D.P.C.P.P. Alliance has definitely decided that upon taking office within 10 days a licence will be issued to a Private Sector Business Enterprise to operate a Television Channel. The Alliance does not accept the view that the J.B.C. needs to be given a couple more years to become efficient and viable and to be more firmly set on its feet before a Private Sector Organization is given a licence to operate a Television Channel which will enable the Private Sector Enterprise to compete with the J.B.C. One section of the leadership of the C.D.P.C.P.P. Alliance is of the view that the Gleaner Company Limited should be given this licence in the first instance on the ground that (a) The Gleaner Company is truly a National Institution dedicated to produce an unlimited range of information for Jamaica and has not only the courage of its convictions but stood firmly in 1978 and early 1979 when the nation was in the throes of a major hardship and political crisis pointed the way out of the crisis at a time when no political body or party was able to cope and provided the informational base which produced a chrystallesed political force which was able to take up the challenge and eventually succeeded in saving Jamaica from impending disaster.

(b) A Gleaner-owned television channel would at no time become a charge on public resources.

(c) The continuity of a Gleaner-operated television channel is assured in that even if the channel so operated by the Gleaner was not profitable in the first instance the Gleaner Company would pursue the venture as it has done in the past using its resources to keep the channel going until eventually viability crowned its efforts.

(d) The large army of media personnel possessed by the Gleaner especially High Class Columnists, writers, analysts, Editors and the like could be drawn upon by the Gleaner Company into service with the Television Channel and (e) the Gleaner Company therefore is more likely than any other source having regards for the foregoing to provide very high quality television programmes of information and entertainment. A final decision in this matter will be taken shortly by the Secretary and Leader of the C.D.P.C.P.P. Alliance.

5. Electricity

The C.D.P.C.P.P. Alliance Government will set up a team of experts (foreign and local) to determine exactly the causes of the frequent power outages; if the problem is personnel, firm quick and determined action will be taken to rectify the problem; if the problem is equipment the C.D.P.C.P.P. Alliance Government will embark upon a major repair programme or else scrap the equipment of the J.P.S. and immediately replace them with new equipment.

6. Water Supplies

The C.D.P.C.P.P. Alliance Government will construct 3 new major dams to provide substantial new sources of water at St. Andrew, St. James and Manchester.

7. Manufacturing Sector

The C.D.P.C.P.P. Alliance Government recognising that this sector does not have an adequate financial base to fully support the volume of the sector's intended output will immediately on taking office, set up a special manufacturers financial support fund of U.S. \$250 million which will provide cheap subsidized loans to this sector (the C.D.P.C.P.P. Government will make the funds available to manufacturers at much lower rate of interest than the rate at which the government obtained the funds abroad) with generous terms and minimum collateral as an indication of the faith, the C.D.P.C.P.P. Alliance Government has in the future of the sector as well as in the individual owners of particular business enterprises in the sector. The loan will be for large, medium and small manufacturers. The C.D.P.C.P.P. Alliance wish to emphasize that the main thrust for economic recovery, growth and development must come from the manufacturing sector--backed by tourism, of course.

8. Security Forces and Police

The C.D.P.C.P.P. Alliance wishes to state quite emphatically that it is opposed to any recruitment of civilians for positions in the GAZETTED Ranks of the Police Force, as this is likely to cause considerable dissatisfaction in the force and also that the system of promoting senior officers through the ranks has worked well in the past and should be continued. If this system is put into effect the coming C.D.P.C.P.P. Alliance Government will discontinue the practice immediately on taking office.

9. Crime

The C.D.P.C.P.P. Alliance is gravely concerned with the tendency of crime to escalate in recent times, particularly crimes against the individual and will enable a system designed to INDUCE the political and criminal gunman to give up his gun and to get him re-integrated into society with alternative of firm law and order measures if he plays the truant.

10. Indiscipline in Jamaican Society

The C.D.P.C.P.P. Alliance is concerned about the high degree of indiscipline in Jamaican Society particularly at the work place and propose to do something about this soon after taking over the Jamaican Government. A package of measures on this matter will be published by the Christian Democratic Party in due course.

The coming C.D.P.C.P.P. Alliance Government will endeavour to serve Jamaica well and faithfully and earn the recognition and respect of historians in the years ahead. In the words of the late Lyndon Baines Johnson, former President of the United States of America, I will lead and I will do the best I can.

Cecil A. Nelson
Leader
C.D.P.-C.P.P. Alliance

CSO: 3025/1136

GOVERNMENT ANNOUNCES PROGRAMS TO PRESERVE, CREATE JOBS

Montego Freeport Purchase

Kingston THE DAILY GLEANER in English 7 Jul 82 pp 1, 13

[Text]

THE GOVERNMENT IS TO ACQUIRE the shares of the Prudential Group Inc. in Montego Freeport Limited for U.S. \$2.38 million.

The purchase, announced yesterday by Prime Minister Edward Seaga, will give the Government of Jamaica 61 percent ownership in Montego Freeport and the controlling interest in the company.

According to a news release from Jamaica House, the decision to purchase the Prudential Group's shares in the Freeport was taken after consultation between the Prime Minister and the four Members of Parliament from St. James: The Hon. Winston Spaulding, the Hon. Dr. Kenneth Baugh, the Hon. Dr. Marco Brown and Mr. Karl Rhoden.

The Urban Development Corporation is to take immediate control of the Government's interest in the Freeport, and the existing management will resume operations.

"IT IS IMPORTANT," the Prime Minister said, "to understand the background to this issue. As a foreign-controlled company—that is, a company in which more than 50 per cent of the shares are foreign-owned

Montego Freeport Ltd. had come under a Bank of Jamaica regulation which allows foreign corporations to obtain loans from the local banking system of no more than 25 per cent of paid-up capital and reserves. In the case of Montego Freeport, this would have been J\$1.3 million.

"However, to tide them over a problem period last year, the Group was allowed by the Bank of Jamaica to borrow J\$8.7 million temporarily from the local banking system, which was J\$7.4 million above their normal limit, on the understanding that they would comply with a requirement by the Bank of Jamaica that they bring in the \$7.4 million as new foreign exchange by the end of June 1982, or reduce their bank exposure to the required level of J\$1.3 million.

"This the group was unable to do, and took the decision last Friday to close their operations in Jamaica. This would have had severe repercussions on the econo-

my of Montego Bay, resulting in the loss of cruise-ship business, the disruption of bookings and closure of the Seawind Hotel, and would have put out of work 700 full-time employees as well as hundreds of others employed on a seasonal basis in the port and other activities of the complex.

"GOVERNMENT HAS TAKEN the decision to acquire the shares not only to enable operations at the

Freeport to resume but also to allow us to restructure Montego Freeport in relation to other Government-owned lands adjoining and to re-plan the development on a basis which will secure the best interests of the people of Montego Bay.

For instance, legislation is being amended to enable us to set up free zones in other parts of the island in addition to the Kingston Freeport and Montego Bay is to be the first of the new locations. It has always been considered that Montego Freeport which had the second largest port in the island is a natural location for free zone activity.

Furthermore, because of the difficulties between the Company and local shareholders in the past, which have eventuated the smooth functioning of the Company's operations, Government considers that its purchase of the shares will not enable it to neutralize these adverse conditions and restore effective management to the Freeport without any further discord between contending shareholders.

"Accordingly, in the agreement signed for the purchase of the shares from the Prudential Group, the Group has agreed to drop all claims against Montego Freeport Ltd. These claims have been the subject of lawsuits during the past year."

Montego Freeport, which went into voluntary liquidation on July 3, consists of the freeport facilities, the 450-room Seawind Hotel and more than 200 additional acres of adjoining land in the prime development area of Montego Bay.

IN A NEWS RELEASE yesterday Prudential Inc. stated: "The Prudential Inc. announces its agreement with the Government of Jamaica to purchase its shares in Montego Freeport Limited thereby allowing the Government to take over control of Montego Freeport Limited."

Prudential apologised to workers for having to take the decision but said it had no alternative in view of the circumstances under which it had to do so.

Prudential Inc. acquired 51 percent shares in the Montego Freeport Ltd. in May, 1981. Just under two years after acquiring control, the Chairman of Prudential Mr Nathan Shippee, announced last Friday that the Freeport would be going into voluntary liquidation on July 3.

In a letter advising the National Workers' Union, representing the workers, of the closure of the company, Mr. Shippee said the company could not facilitate redundancy payment in any form.

This sparked a protest demonstration on Saturday, with more than 700 workers blocking the main entrance to the Seawind Resort Hotel, apart of the Montego Freeport.

The protest demonstration was called off on Sunday when the staff and management decided with the union to keep the operation of the hotel going until a liquidator was appointed.

Kingston THE DAILY GLEANER in English 14 Jul 82 p 2

[Text]

The People's National Party has called on the Government to disclose full details of the Montego Freeport acquisition, as well as its plans for the operation and promotion of the Freeport and Sea-wind complex.

Welcoming the "reversal of the J.L.P. policy which enabled the decision of the Government to buy 61% of the shares in the Montego Freeport Development now held by the Prudential Group," the P.N.P. said the Government's action would prevent further suffering and deprivation to the workers in the complex.

At a time when many jobs were being lost all round, the P.N.P. was pleased at this, a Party statement said. It went on to say:

"The circumstances which warranted public acquisition, and the reasons advanced in justification, bear a striking similarity to those which informed the decisions of the

P.N.P. Administration.

"In so far as this Government has misused for political purposes the P.N.P. Government's acquisition of hotels for the very same purposes of saving the jobs of the workers and preventing untold hardships, the Government stands naked before the Jamaican public for shameless opportunism. The hypocrisy of the criticism is laid bare. One by one the chickens are coming home to roost.

PARADOX

"The paradox of the divestment programme manifests itself time and again. Is it a programme to divest itself of hotels bought by the Government during the P.B.P. Administration and to secure new hotel property when the occasion arises?

"Recently, National Hotels and Property was forced to step in to operate the

Rose Hall Inter-continental itself. Now today it is the Sea-wind Hotel. Which other hotel property will it be tomorrow?

"The Government is well advised to keep in place the total hotel management apparatus and expertise assembled and developed during the P.N.P. regime. It will need it sooner and more urgently than it thinks.

"The P.N.P. calls upon the Government to disclose full details of the Freeport acquisition and to state its plans for the successful operation and promotion of the Freeport and Sea-wind complex.

"The Party takes this occasion to question the fate of those workers who have recently been displaced at the Jamaica Hill, and to enquire what are the intentions of Government in respect of this property."

Rural Road Improvement

Kingston THE DAILY GLEANER in English 8 Jul 82 pp 1, 13

[Text]

SOME 70,000 PEOPLE are to receive employment and \$30-million will be spent this year under an islandwide rural road improvement programme, launched yesterday morning by the Prime Minister, the Rt. Hon. Edward Seaga, at Sanbury All-Age School near Frankfield in North-Western Clarendon.

Making the announcement to enthusiastic response from hundreds of residents in the community and from outlying areas, Mr. Seaga also disclosed that an additional 8,000 women, according to the estimate, would have the opportunity to sell stones to be used in the programme.

Every effort would be made to use as much "local stone" as well as to give people as much work as possible, the Hon. Bruce Golding Minister of Construction said at the launching.

Furnishing additional details, Mr. Seaga said the programme which was being financed from the Budget, was estimated to run for at least seven years. But he promised that it would last until all roads had been brought up to standard, assuming that his government was still in power.

Mr. Seaga said 290 roads would receive improvement this year. Of this number, 215 would be Parish Council roads while the rest would be major road, and "every single parish will get part of the programme".

DESCRIBING THE PROGRAMME as "historic", in that it was the first road project to have received the highest priority from any government, Mr. Seaga said it was conceived during his campaigning during the last two General Elections when he saw the deplorable state of roads in rural Jamaica.

The roads had been allowed to deteriorate, Mr. Seaga said, as he mentioned that the previous Government had spent an inadequate \$100 per mile, maintenance money on Parish Council Roads.

Declaring that the Government was not just repairing the roads "for repair sake", Mr. Seaga said the roads were being repaired to allow farmers to take out their produce to the market, especially those farmers who were producing for the export market and earning valuable foreign exchange.

The roads were being improved with a view to restoring the quality of life of people in the rural communities so as to enable them to go to places such as markets, clinics and shops.

Mr. Seaga said the programme was also conceived

to provide work for the people as it was not possible to put factories in every district. It was at this juncture that he made the announcement about how many people would be employed.

The project, he said, would lift money circulation in rural Jamaica which had fallen and put money in people's pockets.

Mr. Seaga declared that the government was not going to tolerate any slackness on the road programme and would be looking for value for money. He was certain that under Ministers Golding and Ross this would be achieved.

On the other areas of deterioration, Mr. Seaga said that, based on the money provided and the rate of spending, hospitals and clinics would be brought back to a state of normality by the end of next year, when all repairs should have been completed. The same was also true of police stations. Schools should be brought back to normality in this term of the government.

SENATOR GOLDING ANNOUNCED that \$1.1 million under the programme would be spent on the programme in the North-Western Clarendon constituency of Mr. Edwin Allen, with \$3 million being spent in Clarendon for the year.

A total of 7,000 people would receive employment in Clarendon, while it had been estimated that 800 people would have the opportunity to break and sell stones.

The constituency of Mr. Len Kirby, in North-Eastern Manchester, would receive \$150,000 under the programme. Mr. Kirby was chairman of the meeting.

Senator Golding appealed for full co-operation from the people, pointing out that the work would be given out on a task basis and not as day's work.

He also said that the Government had deliberately decided to start the programme in Mr. Allen's constituency because of representations he had made in the past about road improvement and his lead in mobilising the constituents on a self-help exercise to improve roads when help was not forthcoming from the Government.

Senator Clifton Stone and Mr. Allen expressed support for the project and appealed for co-operation.

TASK FORCE WILL STUDY LABOR-MANAGEMENT TIES, PRODUCTIVITY

Kingston THE DAILY GLEANER in English 14 Jul 82 pp 1, 17

[Text]

THE TASK FORCE on work attitudes, first referred to by Prime Minister Edward Seaga, on Labour Day this year, May 24, has now been officially appointed by Cabinet and its terms of reference set, Jamaica House said yesterday, comprising representatives from the Trade Union research and Development Centre, the Jamaica Employers' Federation, University of the West Indies, the Ministry of Labour and the Attorney General's Department.

It will be presided over by Mr. S. G. Kirkaldy, an industrial relations consultant with a background of many years experience at the Ministry of Labour where he served as, among other things, executive chairman of the Minimum Wage Advisory Commission and deputy chairman of the Industrial Disputes Tribunal.

Other members of the Task Force are: Mr. Fred Evans, Trade Unions Research and Development Centre; Mr. Carlyle Dunkley TURDC; Mr. Edward Dixon, TURDC; Dr. J. E. H. Markes, (Managing Director, Estates Industries Ltd.) Jamaica Employers' Federation representative; Mr. Winston Lewis (Personnel Manager, Alcan Jamaica Co.) Jamaica Employers' Federation representative; Mr. Calvin Foster (Personnel Director, Caribbean Cement Co. Ltd.) JEF representative; Mr. Delroy Loudon University of the West Indies; Dr. Keith Worrell UWI, Permanent Secretary Ministry of Labour,

and Representative Attorney General's Department.

In announcing the appointment of the Task Force yesterday the Prime Minister said this was regarded as a step of equal if not greater significance to Jamaica's economic recovery as the provision of financing, foreign exchange, technology and infrastructure.

"If we are to move forward we need to begin to understand the principles of human motivation that underlie both negative and positive work attitudes," the Prime Minister said.

"We want to create a work-environment in which people can feel fulfilled as well as productive, and achieve a more stable industrial relations climate. With this as an objective, it is obvious that we must find ways to make the social and economic environment at the workplace be of such a nature that significant improvement in the relationship that presently exists between employer and employee will result."

The Task Force will be looking at such factors as productivity and motivation, labour-management relations and industrial relations laws and practices, and will be making recommendations as to programmes and or changes that should be instituted, to effect improvements in each area. The terms of reference of the Task Force are as follows:

- To assess the factors which contribute to positive attitudes towards production at the work-place and to make recommendations on the steps necessary to strengthen them.

- To review the climate of labour-management relations with a view to making recommendations on the steps necessary to create a more stable industrial relations climate.

- To review the problems regarding labour productivity and to make recommendations on the policy or other measures which can stimulate greater labour productivity.

- To evaluate the laws, guidelines, regulations, procedures, conventions and practices governing collective bargaining and dispute settlement in collaboration with the Labour Legislation Review Committee with a view to proposing changes which can better secure the rights

of workers and management while ensuring a more stable industrial relations climate.

- To develop proposals for management and worker-education, which can improve attitudes to work, labour productivity, labour-management relations and better knowledge and understanding of the laws, institutions and practices governing industrial relations at the work place.

- To review ideas and proposals relating to worker motivation and to assess their possible contribution to improving attitude to work and labour-management relations.

CSO: 3025/385

EEC'S PISANI MEETS WITH SEAGA, DEPARTS

FL302226 Bridgetown CANA in English 2153 GMT 30 Jul 82

[Text] Kingston, Jamaica, 30 Jul, CANA—The African, Caribbean and Pacific (ACP) group of countries need not harbour fears of the European Economic Community (EEC) seeking to dismantle essential elements of the Lome trade and aid agreement when the present pact expires in 1985, EEC Development Commissioner Edgar Pisani has assured here.

"There is no question of cutting down on any of the essential aspects of the convention," he said at a luncheon yesterday, before leaving Jamaica after a swing through the Caribbean.

During his two day stay here, Mr Pisani held talks with Prime Minister Edward Seaga and Foreign Minister Hugh Shearer on ACP/EEC relations. They also raised ideas that are likely to come up during negotiations for the third Lome agreement.

Under Lome, ACP states are given special treatment for their goods within the 10-nation EEC, they also receive developmental assistance from the grouping of developed countries.

Exactly what proposals the EEC commissioner put to the Jamaica Government were not made public, but it is reported that Mr Pisani favours a permanent arrangement between the ACP and the EEC instead of the current five year accords.

In apparent reference to this, Mr Pisani said the new convention should not be viewed as "a sign of weakness," but rather as a new approach to improve efficiency.

He also said that trade had a major place in the ACP/EEC relationship more than ever, and he invited ACP states to consider ways of improving trade between the developed and developing world for their mutual benefit.

Mr Shearer, who hosted the luncheon in Mr Pisani's honour, said Jamaica maintained a vital interest in the Lome negotiations as part of the Caribbean group and the ACP as a whole.

CSO: 3025/1134

DELEGATION TO VENEZUELA FOR BAUXITE, OIL TALKS

FL031920 Bridgetown CANA in English 1826 GMT 3 Aug 82

[Text] Kingston, Jamaica, 3 Aug, CANA--A top level team from Jamaica is to visit Venezuela next week to continue talks on bilateral agreements covering bauxite and oil, it has been officially reported here.

The trip is to follow up discussions initiated during yesterday's one day official visit here by Venezuelan President Luis Herrera Campins, who met with Jamaica Prime Minister Edward Seaga and other senior government officials.

Neither side has given any details of the pacts being worked out, but it is known that Jamaica has been attempting to get Venezuela to buy more local bauxite for a new alumina refinery there.

The six man Jamaica mission will be headed by Hugh Hart, chairman of both the Jamaica Bauxite Institute and the Petroleum Corporation of Jamaica.

Under a previous bilateral agreement Venezuela has agreed to buy one million tonnes of Jamaica bauxite over a seven year period ending in 1985.

Jamaica is among Caribbean and Central American states which benefit from the Mexico-Venezuela oil facility, under which purchasers of crude from either country are rebated 30 percent of the cost as a soft loan.

Last year Jamaica raised the possibility of applying the same arrangement to refined petroleum products, rather than just crude.

A communique on the Venezuelan president's visit said Dr Herrera Campins had stated his willingness to continue existing programmes of cooperation between the two countries and to examine new possibilities in other fields.

CSO: 3025/1134

MINISTRY OF TOURISM UNVEILS DEVELOPMENT PLANS

Kingston THE DAILY GLEANER in English 14 Jul 82 p 13

[Excerpt]

The Minister of State for Tourism, the Hon Dr Marco Brown, has said that a programme of refurbishing the island's tourist hotels would be introduced this year by the Ministry.

Speaking in the sectoral debate in the House last week, Wednesday, Dr Brown said hotels which needed refurbishing would be refurbished and would have to achieve gradings which are to be set by the Ministry.

He said a training programme for personnel in the tourist industry to be run by the Ministry with the assistance of groups such as the World Tourism Organization, would commence in September and would involve all areas of training.

He said a feasibility study was being done on the possibility of setting up a tourism institute in Montego Bay.

The Ministry had been able to turn the Jamaica Attractions Development Company around from a debt position to one of profit with 77,183 visitors to its attractions spending some \$80,900 last year.

The Ministry has also identified new attractions including the Windsor Caves in Trelawny.

If those projects were successfully developed, the estimated foreign exchange generation would be approximately \$13 million.

Both mineral baths at Milk River, Clarendon and Bath, St. Thomas, have been refurbished and were attracting more visitors with the occupancy rate at Milk River reaching its highest figure in 10 years.

The Government must look at improving local attractions if the number of visitors, especially cruise ship visitors, is to be increased, he said.

Speaking of cruise ship visitors, Dr Brown said that in 1980 there were 139,393; in 1981 there were 139,672 and in 1982 up to April, there were 84,036, which was a 76 percent increase over the 1981 figures. The projected figure for this year has been revised from 192,000 to 252,000, an achievement which he described as an excellent performance.

Dr Brown said the average cruise ship visitor spends approximately U.S. \$42 which in 1981 amounted to U.S. \$5.8 million and it was projected that the figure for 1982 would be U.S. \$10.5 million.

Two new cruise ships, the Tropicale and the Mardi Gras, have already started coming to Jamaica and four more are expected between later this year and 1983.

CSO: 3025/386

ECONOMIC, TECHNICAL COOPERATION PACT SIGNED WITH S. KOREA

Kingston THE DAILY GLEANER in English 21 Jul 82 p 2

[Text]

The Governments of Jamaica and of the Republic of Korea concluded an Economic and Technical Co-operation Agreement on Monday. Signing the agreement for the Jamaican Government was the Rt. Hon. Hugh Shearer, Deputy Prime Minister and Minister of Foreign Affairs; and for the Republic of Korea Dr. Sang Jim Choi, the Ambassador to Jamaica.

Mr. Shearer described as significant the fact that, in less than one year, the two governments had concluded two agreements "which will promote the cultural and economic development of both our nations while strengthening the bonds of friendship which have existed between us for many years".

When Prime Minister Seaga visited Seoul in October, a cultural agreement was signed between the two countries.

Arising from this second agreement, there will be an increase in the technical and economic assistance which Jamaica has been receiving from South Korea. The South Korean Government has already provided agricultural equipment and motor vehicles, line-of-credit facilities, expertise in soil conservation and watershed management, personnel training in investment development, overseas trade promotion and administration.

The Deputy Prime Minister said he was confident that the agreement "would provide benefits for the economies of both

countries and set the stage for the implementation of deeper trading and investment collaboration".

Mr. Shearer expressed admiration for South Korea's economic development and cited South Korea's achievement as good examples for the countries of the developing world.

COMMON FACTORS

Dr. Choi said in reply that since Prime Minister Seaga's visit in October 1981, the relationship between Jamaica and the Republic of Korea had further matured so as to conclude an agreement on cultural exchange last year, and subsequently yesterday, another agreement on economic and technical co-operation.

"As developing nations, our two countries have many factors in common, both experiencing similar economic problems and challenges as the global recession continues. Much of the knowledge and know-how that better suit our needs can be found within our own circles.

"The signing of this agreement signifies the expanding horizons of co-operation and exchange in areas of economy and technology between Jamaica and Korea.

"We hope this agreement will become another milestone to facilitate an easy flow of personnel, technical expertise, investment and trade in an ever increasing volume, which will, ultimately be to our mutual benefit," Dr. Choi said.

BRIEFS

WEST GERMAN CREDIT--Jamaica has received a Line of Credit amounting to 4 million Deutsche marks (about J\$5.4 million) from the Federal Republic of Germany. According to a J.I.S. release the loan, which carries interest of 4 and 3/4 percent plus a handling charge by the Jamaica Export Credit Insurance Corporation, will be used to finance public sector and private sector imports. Goods to be imported under the agreement must be of West German origin and are restricted to the following categories: agricultural machinery and implements, including accessories and spare parts, fertilizer and agricultural chemicals, as well as industrial products for use in agriculture. The line of credit also includes advisory services, patents and licence fees relating to agricultural sector. The agreement states specifically that luxury and consumer goods for personal use and goods and services for military purposes are excluded from the facility which is administered jointly by the Trade Administrator's Department and the I.E.C.I.C. On advice from the Trade Administrator's Department that a licence is approved, the importer is required to submit to the I.E.C.I.C. a pro forma invoice and a bank guarantee for the Jamaican dollar equivalent of the foreign currency value of the goods to be imported. Detailed information on the Line of Credit can be obtained from the Trade Administrator's Department. [Text] [Kingston THE DAILY GLEANER in English 3 Jul 82 p 1]

AIRPORT CRACKDOWN--Arrangements have been made for regular meetings between the police and representatives of the Jamaica Union of Travellers Association (JUTA) to discuss problems such as unauthorised competition, touts, hustlers and pimps affecting JUTA drivers. The Minister of Public Utilities and Transport, Hon Parnell Charles received a deputation from JUTA at his Ministry, New Kingston, on Thursday. The presidents of the Montego Bay, Ocho Rios, Kingston and Port Antonio chapters of the association told the Minister that they were encountering difficulties during operations at the Norman Manley and Donald Sangster Airports and on docks at Ocho Rios with drivers of unauthorised vehicles who ply for hire, as well as the operations of thugs, touts and pimps. Mr Charles said that at both airports, JUTA had the concession to transport passengers from the airport but there were exceptions to the regulations. He said that the law was adequate and the Airport Regulations 1981 provided for the removal of touts, pimps and hustlers. As regards the illegal parking he said that a system will be introduced for the towing away of illegally parked vehicles. Arrangements

were made by the Minister with the JUTA representatives and Assistant Commissioner of Police Reuben Robertson who also attended the meeting for regular meetings between the association and senior police officers in the areas concerned. The first meeting will be held next week. [Text] [Kingston THE DAILY GLEANER in English 3 Jul 82 p 2]

VENEZUELA ASSISTS JAMAICA--Kingston, Jamaica, 28 Jul, CANA--Venezuela is making 10 million dollars (U.S.) available to Jamaica for the building of 20 garment and stone factories here over a four-year period, the island's minister of industry and commerce, Douglas Vaz, has announced. He said that the factories were being built with a view to export production and in keeping with the government's policy of adjusting Jamaica's economic structure. The factories, once operational, would employ between 250 and 300 persons, he said. [Text] [FL281800 Bridgetown CANA in English 1738 GMT 28 Jul 82]

CSO: 3025/1134

COUNTRY SECTION

ST. VINCENT

BRIEFS

FRENCH ENVOY VISITS ST VINCENT--Kingston, St Vincent, 28 Jul, CANA--The Trinidad-based French ambassador to St Vincent and Grenadines, Rene De Choiseul Praslin, is now on a two-day farewell visit to the island. The honorary French consul to the twin-island state, Clifford Frank, said the ambassador will call on governor general, Sir Sydney Gunn-munro, Prime Minister Milton Cato and Foreign Affairs Minister Hudson Tannis, during his stay. The French consulate here has not stated when Mr Praslin will leave his Trinidad headquarters, nor who will replace him. [Text] [FL281800 Bridgetown CANA in English 1705 GMT 28 Jul 82]

CSO: 3025/1135

EDITORIAL HAILS GOVERNMENT ACTION IN DEFUSING ROW WITH TOBAGO

Port-of-Spain SUNDAY GUARDIAN in English 18 Jul 82 p 8

[Text]

ACTION of the Government in withdrawing certain amendments to the Tobago House of Assembly Act is a hopeful sign that the Government are at least sensitive to the idea that it could be foolish to act against the wishes of the people of Tobago.

Last week, Mr. A.N.R. Robinson, the chairman of the Assembly, and his colleagues held a Press conference to vent their displeasure at the manner in which they said the Government had been obstructing their administration in Tobago.

In the escalating hostility between the Central Government and the House of Assembly, one cannot help wondering what the situation would have been had the PNM Assembly members been in control in Scarborough.

One could answer that question quite simply: there would be no continuing row. A PNM controlled Assembly would either have got what they wanted, or would have meekly accepted the sort of rubber-stamp status that is the role of the City Council and the Boroughs.

The political brawling must end. We urge all sides to sit down and consider the entire situation, calmly and with a view of preserving the unitary State of Trinidad and Tobago, in which the people of Tobago can to a large extent look after their own affairs.

CSO: 3025/384

GOVERNMENT PUBLISHES OVERSEAS TRADE

FL292226 Bridgetown CADA in English 2155 GMT 29 Jul 82

[Text] Port-of-Spain, Trinidad, 29 Jul, CANA--Oil rich Trinidad and Tobago last year recorded a whopping trade surplus of 1.46 billion dollars (one TT dollar; 41 cents U.S.), but this was 707 million dollars less than the 2.17 billion dollars of 1980, according to official figures released here.

The overseas trade report published by the government's central statistical office put the value of 1980 imports at 7,584 million dollars. Total exports amounted to 9,755 dollars and the differences between the two--called balance of visible trade--was favourable 2,171 million dollars.

But decreasing oil prices, and a world recession both imports and exports dropped in value.

Imports for January to December 1981 amounted to 7,477 million dollars, and exports reached 8,941 million dollars.

As in the past, the petroleum sector dominated the picture, accounting for 37 percent of total imports and 90 percent of total exports. Petroleum aside imports amounted to 4,732 million dollars and exports 863 million dollars.

Last year, food jumped from 9.3 percent of total imports in 1980 to 11.1 percent. The value of food and live animals imported rose to 621 million dollars.

The bill for food and live animals increased by 128 million dollars, manufactured goods by 96 million dollars and crude materials (inedible) by 37 million dollars.

However imports of mineral fuels, lubricants and related materials fell by 130 million dollars and machinery and transport equipment by 233 million dollars.

The major agricultural exports were sugar and sugar preparations valued at 76 million dollars, coffee, tea, cocoa, and spices 35 million dollars, cereal and cereal preparations 15 million dollars and fruit and vegetables 12 million dollars.

In comparing 1980 and 1981, it was found that exports of manufactured goods increased by 34 million dollars, chemicals by 41 million dollars and machinery and transport equipment by 228 million dollars.

On the other side, there were decreases of 1.098 million dollars in mineral fuels, lubricants and related materials and 17 million dollars in food and live animals.

Last year Caricom imports amounted to 284 million dollars or 3.8 percent of total imports, and exports to Caricom territories to 383 million dollars or 4.4 percent of total exports.

Excluding petroleum products, exports to Caricom territories totalled 146 million dollars.

Jamaica, with 35 percent, provided most of Trinidad and Tobago's Caricom imports, followed by Guyana with 25 percent and Barbados with 24 percent.

The most exports went to Guyana (25 percent), Barbados (24 percent), Jamaica (15 percent), Antigua (15 percent) and St Lucia (7 percent).

CSO: 3025/1135

PROMINENT TUPAMARO SENTENCED TO 30 YEARS

PY031940 Montevideo Radio El Espectado Network in Spanish 1600 GMT 3 Aug 82

[Excerpts] Jorge Amilcar Maneras Lluveras has been sentenced to 30 years of imprisonment. The supreme military court officially reported today that taking into account preventive imprisonment and without giving credit for time served for security reasons, one of the most senior members of the Tupamaro movement will regain his freedom not earlier than 2002. [passage omitted]

According to the official communique released by the supreme military court through the national public relations bureau, since his first arrest in 1964 to the last one in 1972, the extremist carried out several operations and as one of the leaders of the subversive organization he approved several bank robberies and thefts of weapons. [passage omitted]

Maneras Lluveras was finally sentenced for the following crimes: responsible for setting up a criminal organization under aggravating circumstances; repeated conspiracy to violate the constitution; conspiracy to violate the constitution followed by preparatory actions; violation of the constitution; repeated theft; armed robbery; repeated manufacture and storage of bombs and explosives; jail breaking. He was also found to be guilty as an accomplice in the following crimes: repeated forgery of public documents; abduction; repeated arson and damage to property; especially aggravated murder; repeated kidnapping; accessory to abduction. All these crimes were found to be interrelated with the exception of repeated commission of some crimes which may not be interrelated among themselves.

CSO: 3010/2066

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